

***CASE STUDY:***

**The social media challenge of Olá: first steps into the new world**



Cases on Marketing Strategies Seminar

Author: Hilco Beeks

Advisor: Prof. Pedro Celeste

Dissertation submitted in partial fulfillment of requirements for the degree of MSc in Business Administration, at the Universidade Católica Portuguesa, June 2012

## Preface

This dissertation is written within the framework of the study International Master in Business Administration at Católica Lisbon School of Business and Economics and serves as graduation assignment.

The dissertation focuses on use of and effect of social media within the Portuguese ice cream market; specifically within the company Olá. Looking back, I can conclude that it was truly a valuable experience examining and researching this recent and trending topic.

Completing this dissertation has been accomplished with the support of others and therefore I dedicate this section to them.

Firstly, the development of this dissertation would not have been possible without the support of Olá and all the respective employees that have provided me with input.

Secondly, I want to thank my supervisor Professor Celeste for his tutoring and guidance throughout the process.

Thirdly, I thank my parents for providing me the opportunities to pursue my dreams and adventures.

Last, I thank those not mentioned in this section, but have helped me developing throughout the development of this dissertation and/or throughout this study.

Thank you all.

**Hilco Beeks**

**June 2012**

# Abstract

**Dissertation title:** The social media challenge of Olá: first steps into the new world

**Author:** Hilco Beeks

## Abstract

The main objective of this dissertation is to explore and discuss the (potential) importance, possibilities and threats of social media to the contemporary corporate world. The dissertation is directed at Olá, the market leader of the Portuguese consumption ice cream market. The purpose of the dissertation therefore is to determine how Olá can use social media in the advantage of the company. The findings of the stated research questions are based on primary data, collected through interviews and an online conducted survey, as well as a large scale of secondary data resources. Olá has been active on the developing and changing world of social media since two years: first with a single Olá Facebook page, later also with ice cream brand specific Facebook pages. The company uses the pages primarily to engage with its community. To take most advantage of social media, for the future Olá ought to explore social media platforms that are in line with the expectations of the respective target group(s); for the general Olá Gelados Facebook page, it seems to use the appropriate platform. In addition, Olá should set out performance indicators and have (future) used online platforms linked with each other. Furthermore, in the social media context, it is recommended to focus on customer interaction and company awareness by offering content with promotions through supermarkets and independent retailers, as those are the mostly used points of sale. Since the social media area is fast-changing, Olá ought to stay on top of the developments.

# Index

Preface.....	i
Abstract .....	ii
Index.....	iii
1 Introduction.....	1
1.1 Relevance to research .....	1
1.2 Problem statement.....	1
1.3 Research questions .....	2
1.4 Methodology .....	2
1.4.1 Primary data .....	2
1.4.2 Secondary data .....	2
1.5 Dissertation structure.....	3
2 Literature review .....	4
2.1 Introduction.....	4
2.2 Social media definitions .....	5
2.3 Differences with traditional media.....	7
2.4 Role of social media in marketing nowadays.....	8
2.5 Social media from a customer perspective .....	8
2.5.1 Global .....	8
2.5.2 Social media in Portugal .....	9
2.6 Measurement of social media.....	10
2.7 New opportunities created .....	11
2.8 Approaching social media .....	12
2.8.1 Objectives .....	13
2.8.2 Integration .....	13
2.8.3 Employees .....	13
2.8.4 Volatile environment.....	14
2.8.5 The engagement of communities.....	15
2.8.6 Different audiences .....	16
2.8.7 Evaluating social media .....	17
2.8.8 Risks.....	17
3. Case study: the social media challenge of Olá: first steps into the new world.....	19

3.1 Introduction.....	19
3.2 The global ice cream industry .....	19
3.2.1 The ice cream industry in Portugal.....	20
3.2.2 The landscape.....	21
3.3 Social media.....	22
3.4 Olá- the company .....	23
3.5 Olá's marketing mix.....	25
3.6 Olá and social media .....	28
3.7 Olá's competition on social media .....	31
3.8 Where to go? .....	33
4 Market research .....	34
4.1 Methodology .....	34
4.2 Problem statement.....	34
4.3 Research questions .....	34
4.4 Demographics.....	34
4.5 Research data .....	35
5 Conclusions.....	39
5.1 Conclusions and suggestions.....	39
5.2 Limitations of the study.....	41
5.3 Suggestions for future research .....	42
6 Teaching notes .....	43
6.1 Synopsis.....	43
6.2 Target audience and teaching objectives.....	44
6.3 Teaching plan .....	44
Exhibits .....	49
Exhibits Case study .....	49
Exhibit Questionnaire .....	62
Bibliography.....	67

# 1 Introduction

This dissertation is written on the topic social media, on what this tool can do in the benefit of a company but also what the exposed risks are and how to limit those.

In order to comprehend the topic, a literature review is composed at first. From there, the case study shows the actions of a real life company towards this topic.

The case study focuses on Olá, the Portugal based ice cream company and market leader of the Portuguese ice cream market, with regards to its approach of social media. It also includes relevant information on the company as well as the (Portuguese) environment the company is in. The case is not a guideline to social media approach; no set answers are available. Social media is a constantly changing and developing topic. Olá started social media activities two years ago and therefore the decision whether or not to enter is not the question. Consequently, Olá's challenge is to stay on top of these developments and incorporate them to use them in its greatest advantage.

## 1.1 Relevance to research

Social media is something that started not so long ago, at least not in the way it is used nowadays. The potential e-mail had initially, now social media is taking over becoming a vital part in the business world. This topic has therefore academic and managerial relevance to research. It is constantly developing and is becoming more incorporated into business activities in companies across different industries all over the world. This company, Olá, in combination with this trending topic, is of interest as it is in the process of its first steps in the world of social media. Therefore, it can function as an example for companies and manager that are also intending, or doubting, to enter this.

## 1.2 Problem statement

Like many companies, Olá is on the edge of increasing its social media activities, after it has been active in this new world for two years. The purpose of the study is to analyse how Olá can use and improve social media activities in the advantage of the company.

### 1.3 Research questions

The following research questions are compiled enabling to address the problem statement:

- i. **How is Olá active on social media?**
- ii. **What is consumers' general behavior and perception towards social media?**
- iii. **What is consumers' purchase behavior towards ice cream?**
- iv. **What is the most effective social media approach for Olá?**

### 1.4 Methodology

Both primary and secondary data were gathered for the aim of this dissertation.

#### 1.4.1 Primary data

Three meetings were held between researcher and the company to obtain qualitative information. The first meeting was to gain insights on a relevant topic and to explore the possibilities. The second meeting an interview was held with Ms. Ana Serra, brand manager of Olá, about what social media activities were done so far and what Olá intended to do in the future. The third meeting was with Mr. Armando Alves, head of social media within Fullsix, the web agency of Olá, was interviewed to gain information on the social media approach from the agency's side.

In addition to the interviews, an online survey was conducted to gain quantitative data. No (results of) surveys on social media within Olá were available, thus researcher collected data through a created questionnaire, available between May 5th and May 15th of 2012. This survey was conducted online through the website of Dutch online research company Parantion. The link to this survey was published on researchers Facebook page and shared by other people. The sample size used was 110.

#### 1.4.2 Secondary data

Different types of secondary data were used for this dissertation.

Mainly EBSCO was used to retrieve (academic) research articles. Where possible, considered top journals as well as business periodicals and industry reports were extracted from this platform. In addition, different types of books, (research) agency reports and marketing blogs were used. Also, internal reports and documents were made available by Olá. Those are mainly used for the case study.

## **1.5 Dissertation structure**

The dissertation is structured to provide answers to the research questions (Chapter 1.3 Research questions). Chapter 2 gives an overview of the recent literature concerning social media. Chapter 3 shows the social media case of the ice cream company Olá, functioning as a teaching vehicle to students on the topic of social media. Chapter 4 presents market research with regards to social media, the ice cream industry and the combination of those. Chapter 5 covers the conclusions of the research questions, limitations of the dissertation research and suggestions for further research. Chapter 6 contains the teaching notes, which are to be used by the instructor of the course.



## 2 Literature review

### 2.1 Introduction

Long ago, companies were uncertain about connecting to the Internet and using e-mail. Nowadays, a same uncertainty exists about dealing with social media. However, people, companies potential and existing customers are online and massively taking advantage of the possibilities this reasonably new tool has. For consumers it used to be hard to have their voices heard. This all changed with the emergence of social media. And more...

Shortly after the dot.com bubble bursted, Web 2.0 introduced true interactivity, in which users could actively participate by posting comments and uploading content. It became known as social media because of the ability of users to interact with friends, friends of friends, and strangers who share mutual interests. Consumers are able to communicate with each other to ask questions, comment on their experiences and provide ratings and advice (Fogel, 2011), having the potential to make or break brands. To emphasize the importance: according to a study of Opinion Research Corporation, 84% of Americans are influenced by online product reviews written by other customers in their shopping decisions (Constantinides & Stagno, 2011).

This could be felt as a threat to companies, because unsatisfied customers can influence other (and more) people more easily than before. On the other hand, it created new opportunities for companies: the emergence of social media and online word of mouth has provided a wealth of data on what consumers say, share, and do (Berger & Schwartz, 2011; Kozinets, de Valck, Wojnicki & Wilner, 2010). This free available information can be used by companies to understand the continuously changing consumers' behavior to become more customer focused. Social media also leverages the customer relationship between companies and customers: the two way communication enables this.

Companies are already generating additional revenues from social media.

Dell, for example, states that its Twitter use has generated \$ 1 million in incremental revenues due to sales alerts (Kaplan & Haenlein, 2010).

Other commercialized examples of social media use can be found, among others, in the music and entertainment industry. Lady Gaga has nearly 2.8 million Twitter followers, over 5.2 million Facebook fans and can interact with them through social media (Hampp, 2010). Wall Street Journal estimated that the pop star's contact with her followers make them more likely to buy her music legally.

Others challenge the relationship between social media and additional profits and argue that it consumes resources without additional or beneficial output, arguing there is little evidence social media platforms are generating business results. It takes time, distracts from other work and most companies cannot seem to harness its potential (Evans & Scott, 2011). Doubts arise regarding measurement of gains: some argue a customer is worth far more than their initial spending on a company: you need to factor in future purchases and the influence they may have on others through social media applications (Fisher, 2009).

The worrisome situation of the global economy is not helping either. Companies have to be selective in allocating resources. In a tightening economy, businesses need to make sure they get return on their marketing investments (Fisher, 2009). Despite the difficulties it is clear companies have to deal with this relatively new phenomenon; the question is not if a company should enter social media. Today when people buy a new device, they often "crowd source" advice by asking for recommendations. That practice will become more and more influential over time (Dunn, 2010). Also, *your competitors are already on social media* (Fisher, 2009). The reality is that social media is where the national conversation takes place today- and either companies are part of that or not (Dunn, 2010; Griffin 2011). Social media matters and is here to stay (Barnes, 2010).

Exploring social media.

## **2.2 Social media definitions**

Social media is a trending topic nowadays. In order to be able to dive into this, it is important to grasp what it is considered to be and consists of.

Back in the days, Internet started out as nothing more than a giant Bulletin Board System (BBS) allowing users to exchange software and data with each other. The social media is an evolution back to the Internet's roots, since it retransforms the World Wide Web to what it was initially created for: a platform to facilitate information exchange among users. The technical advances over the past 20 years now enable a form of virtual content sharing that is fundamentally different from, and more powerful than, the BBS of the late 1970s (Kaplan & Haenlein, 2010). According to the Social Media Research Wave 3 report (2008), social media is not entirely new: the significant change is the mass involvement that modern social platforms inspire.

Social media is a relatively new but fast-growing category of online interactive applications. These applications are based on user-generated content rather than supplier-generated content allowing peer-to-peer communication and user participation (Shankar & Malthouse, 2009). Kaplan & Haenlein

(2010) first draw a line between definitions that are often used in the same context: web 2.0 and User Generated Content (UGC).

Web 2.0 was initially used as a way of describing the new way in which software developers and end-users started to use the World Wide Web: as a platform where content and applications are continuously modified by all users, instead of created and published by individuals. Therefore, web 2.0 consists of blogs, wikis and collaborative projects whereas (traditional) encyclopedias, personal web pages and content publishing belong to web 1.0. Thus, web 1.0 can be seen as web information whereas web 2.0 functions with participation. In short, web 2.0 is the platform for the evolution of social media.

UGC is normally the term used to describe the various forms of media content that are publicly available and created by end-users. According to the Organisation for Economic Cooperation and Development, UGC needs to fulfill three basic requirements in order to be considered UGC: 1. it needs to be published either on a publicly accessible website or on a social networking site accessible to a selected group of people. 2. It needs to show a certain amount of creative effort. 3. It needs to have been created outside of professional routines and practices.

From this, Kaplan & Haenlein (2010) consider social media as a group of Internet-based applications that build on the ideological and technological foundations of web 2.0 that allow the creation and exchange of UGC. The International Social Media Research Wave 3 (2008) defines it more or less the same: as online applications, platforms and media which aim to facilitate, interaction and collaboration and the sharing of content. Or, simply put: social media represents low-cost tools that are used to combine technology and social interaction (Lake, 2011).

It is not easy to categorize the different social media, as there is no official way. Still, it is important not to define all social media the same because they all have different aspects and take different approaches.

Key social platforms are video sharing, photo sharing, blogging, micro blogging, RSS, widgets, social networking, chat rooms, message boards and podcasts (Social Media Research Wave 3 report, 2008). Kaplan & Haenlein (2010) take another approach and categorize social media among six types using two variables: the amount of information that can be transmitted in a given time interval (effectiveness) and related the social influence the communication partners have on each other, and the way the conscious or unconscious revelation of personal information is done. Combining the above leads to six types of social media: blogs, social networking sites (e.g. Facebook), virtual social

worlds (e.g. Second Life), collaborative projects (e.g. Wikipedia), content communities (e.g. YouTube) and virtual game worlds (e.g. World of Warcraft).

## 2.3 Differences with traditional media

Social media differs fundamentally from traditional mass media. Whereas traditional media service focuses on the one-to-many distribution of content created by professionals to a rather passive audience, social media establishes many-to-many networks of active users who share their own content among themselves (*citizen journalism*), Griffin, 2011)). These new networks have the potential to fundamentally change the behavior of media users and thereby redefine the business practice of the media companies (Griffin, 2011; Kilian, Hennigs & Langner, 2012). The traditional *control and command model* that media companies used to have over published material fades away (Griffin, 2011). Traditional media, *lean-back media*, is different in a sense that consumers' feedback is generally limited to writing letters to the editor and participating in television polls. With social media, the economic restraints (i.e. time) and psychological barriers to actively use media are lowered (Kilian, Hennigs & Langner, 2008).

The field of marketing is changing rapidly. For several decades, a primary role of marketing was to orchestrate the mix of product, price, promotion and place. Consumer marketing meant working with an advertising agency to create ads that communicated the benefit, and "pushed" ads at consumers through the mass media (Shankar & Malthouse, 2009). This changed: social media applications have changed the traditional methods of consuming journalism, radio and video. In addition, they have created new ways to enable knowledge transfer and networking (Kilian, Hennigs & Langner, 2008).

Another difference is controllability. Historically, companies were able to control the information available about them through strategically managing public relations. Today however, firms have been increasingly relegated to the sidelines as mere observers, having neither the knowledge nor the chance- or, sometimes even the right- to alter publicly posted information provided by customers (Kaplan & Haenlein, 2010). Building a good corporate image is much harder now. Those working in corporate communication have an (accurate) impression of losing control over the company's external image (Kurda, 2012). The rules of the games have changed. Reaching today's consumer requires a very spread-out approach (Brogan, 2011). But the media landscape change is not only in disadvantage of the corporate world. Social media allows companies to create the sort of one-to-one relationship with customers that marketers have always hankered after (Rowe & Summers, 2012). And not only that: companies can respond immediately when things go wrong. Real-time feedback can be used with a dashboard of data and make adjustments during a campaign (Weed, 2011).

## 2.4 Role of social media in marketing nowadays

Social media is big. In the past, marketers did not have to worry about their ads being mocked or parodied on YouTube. Now, dissatisfied customers can easily tell the world about bad experiences. At the same time, competitors are only one click away and the number of competitors is generally increasing, as it has become easier to buy from companies from all over the world (Shankar & Malthouse, 2009). It also changed the media industry in addition to influencing the behavior of media users (Kilian, Hennigs & Langner, 2012). An example of this can be found in Microsoft's decision to stop the charged encyclopedia Encarta in 2009. Nowadays, people seek and consume information in a different way. The traditional (online) encyclopedias such as Encarta have been hit hard by the growth of community-written reference sites-like Wikipedia (McDougall, 2009). This trend is expected to continue. The next generation is likely to be highly influenced by new technologies, mainly social media (Kilian et al, 2008). According to Nielsen, nearly 90% of Australians look at fellow Internet users for opinion and information about products, services and brands. But it is not only that. Organizations can access millions of users with one click (Griffin, 2011). And according to Ray (2009) it shows that it is worth for companies to consider using blogs for marketing purposes, as blog traffic is increasing on a much higher speed than traffic to official websites such as CNN and The New York Times.

Despite all the changes caused by social media, it has and will not vanish traditional media completely away. TV still has a larger reach and gives companies a first podium to become known. Social media can follow up on that (Bowley et al, 2011). Although advertising through social media can be more personal, few think TV will be completely off the book in the future.

## 2.5 Social media from a customer perspective

### 2.5.1 Global

Almost every day, new social media initiatives are started. A few significant and relevant media are mentioned below:

**YouTube** was founded in 2005 and enables billions of people to view and share content, comment online and to communicate. Since 2012, over 800 million unique visitors visit YouTube every month. Every minute, 60 hours of video is uploaded to the website.

**Facebook** is since 2004 on air and is nowadays the largest social network site: in December 2011, 845 million people had created a profile . It is a social networking site where people can create profiles and get connected to and keep in touch with friends, family, colleagues as well as companies. Users

create profiles with information about themselves which can be seen by their connected friends and can be used to share all types of content.

**Myspace**, founded in 2003, used to be the largest social network site until Facebook surpassed it in 2008. It is similar to Facebook: people create a profile where they show their personality and are able to connect to friends. It has an estimated number of over 70 million users.

**LinkedIn** can be considered the professional brother of Facebook. Users create a profile with professional information on it and can connect to business-related connections in order to manage professional careers, for instance job- and business opportunities. It enables users to use their professional network in a broader way; companies use it to recruit people. Launched in 2003, the company has over 120 million members since 2012.

**Twitter** enables users to micro-blog: sending out short messages to inform *followers* about daily life messages but is also used by companies and professionals as an interaction tool. It was created in 2006 and has concurrently over 250 million unique visitors.

**Hi5** is also a general social network site, similar to Facebook and Myspace, but targeting a somewhat younger group and is popular in Latin (Central) America as well as Portugal. Over 50 million people have created an own profile and connect to friends and share information. Nowadays the site focuses slightly more on entertainment than the other mentioned networking sites do.

### 2.5.2 Social media in Portugal

Like in other parts of the developed world, social media is big in Portugal. Social media usage is growing and is recognized by (consumer) brands as a useful communications tool and is expected to become only bigger as Portugal has a low Internet penetration level in comparison to other European nations. The Portuguese government took steps (e.g. the Technology Plan, e-U Laptops) to address this issue and increase this (U.S. Department of State, 2011).

In Portugal, the primary platforms for social networking are Hi5 and Facebook and used for private messaging, keeping in touch with friends and sharing content. By 2012, Hi5 had 2.5 million users and was not so long ago surpassed by Facebook as the most popular site; the majority of its users are aged under 18. (U.S. Department of State, 2011). According to Social Bakers, by March 2012 nearly 4.3 million people in Portugal were using Facebook, a quarter million more than six months before. This comes down to approximately 40% of the total population and 83% of the online population. The largest age group represented in users is currently 25 - 34 years with 27% (1,16 million), followed by the users of 18 - 24 (23%) and 35-44 (20%) . Male (51%) and female (49%) users are almost equally divided.

Social Baker states that almost 800.000 people are using LinkedIn. MySpace and Orkut have, like Hi5, mostly younger users, although these networks are normally used for music and arts related profiles (U.S. Department of State, 2011).

Blogging is popular in Portugal and in 2008 200.000 bloggers were active, mostly using Blogspot, Sapo and WordPress platforms. Blogging as an activity rose to prominence due to several high profile people including broadcasters, journalists and politicians maintaining blogs (U.S. Department of State, 2011).

Social media is not heavily developed in Portugal as in other countries. Generally, social media is being used by consumer brands as a communications tool with some examples of engagement and interaction, although it is primarily one-way broadcasting. There are recent examples of companies engaging in social media, for example mobile operator TMS's Facebook fan page, Tivoli Hotels Twitter account and Telco's customer support Wiki. However, many of these activities are stand alone projects and are not part of a coordinated communications strategy (U.S. Department of State, 2011). In general however, it is mostly used to broadcast news rather than for two-way communication.

## **2.6 Measurement of social media**

As stated before, no consensus on how to measure social media prevails; from a marketing point of view this is relevant, as companies need to know if resources are allocated wisely.

Barnes (2010) investigated measuring success among companies, and most use comments, leads or sales as primary indicators. Others are not in favor of those measurements. According to them, the qualitative aspect of social media is in this way sidestepped entirely. Comments, whether they are positive or negative, are equally interpreted for instance. Evaluating which social media are right for your brand requires consideration of factors that include reach (the audience), relevance (to what extent the platform content and audience is appropriate to the brand) and credibility (more a qualitative measure by looking at independence, affinity, transparency and presentation) (Ray, 2009).

Both mentioned ways of measuring social media are not considered fair by others. It is about what else is happening in the social networks, very likely somewhere your company is not. Customers communicate to each other which is not measured this way. It is about engagement with (potential) customers. In order to measure the return one should also include opinions, voices and experiences people are sharing about a brand (Fisher, 2009). Online agency Yomago uses this: it offers clients a 'Social Media Reputation' report that gives a company, brand or particular campaign a score out of

100 based on factors such as the volume of comments, blogs, pictures and other content on social media sites, along with their tone and timescale (Datamonitor III, 2010).

Unilever's Weed takes a more simplistic approach: "Our measures are more about people spending time with the brand. Social media is much more active than the passive 'lean back' media of TV. Here, people are leaning forward and taking part in something."

The debate on the effectiveness of social media is also present. According to a study from Chartered Institute of Marketing, conducted among 900 senior UK marketers, some said it is difficult justifying investment in social media when budgets decrease. Major advertisers however, such as Unilever and Diageo, have backed up social media as a direct marketing tool.

Measuring advertisements in social media is already more specific. The Interactive Advertising Bureau (2009) advises the following measurements:

**Websites:** unique visitors; cost per unique visitor; page views; visits; return visits; interaction rate; time spent; video installs; relevant actions taken.

**Blogs:** conversation size (number of sites, links and reach of a conversation phrases relevant to the client); site relevance (conversation density, author credibility, content freshness and relevance).

**Widgets and social media applications:** installs (number of applications); active users; audience profile; unique user reach; growth; influence; installs (number of installed per user).

One thing is clear: the measurement of ROI in social media will remain being an ongoing debate.

## 2.7 New opportunities created

Simply put: social media can tribute to success of a company, by bringing companies and end consumers together in a broad sense. Social media is where actual and potential customers are interacting, and it shapes how they think (Fisher, 2009). More direct, at relatively low cost and with higher efficiency than can be achieved with more traditional media tools making it relevant to large multinational firms as well as for medium or small sized companies. It is not an easy task however but the potential gains are far from negligible (Kaplan & Haenlein, 2010) and organizations get out of social channels what they put into them (Barnes, 2011).

It is why companies exist: certain needs are, for some reason, not fulfilled. Successful business relationships start with good listening (George, 2011). Relationships come from conversations, and relationships go much further than sales (Barnes, 2011). And social media can function as platform for those relationships. In addition, trust of consumers towards companies went gone during the



financial crisis and social media can be important method to build up and retain this, because it is more personalized and potentially more honest (Datamonitor III, 2010).

The high popularity of content communities makes them a very attractive channel for many firms; this is easy to believe when one considers that YouTube serves over 100 million videos per day. And this is just one example. According to Universal McCann's International Social Media Research Wave 3 research report (2008), social media can have a dramatic impact on a brand's reputation: "34% post opinions about products and brands on their blog and 36% think more positively about companies that have blogs".

Social media can be exploited, if used in a proper way, in the advantage of companies for different purposes, all aimed at better serving the market and being more competitive. In a broad and comprehensive sense, but functioning comprehensively within a company:

- Building a community (Bynum-Degen, 2011: Culnan, McHugh & Zubillaga, 2010: Datamonitor III, 2010: Griffin, 2011: Lake, 2011: Rowe & Summers, 2012)
- Customer, employee and other stakeholders' interaction (Bynum-Degen, 2011: Culnan, McHugh & Zubillaga, 2010: Datamonitor III, 2010: Dutta, 2010)
- Improving awareness (Barnes, 2010: Bynum-Degen, 2011: Culnan, McHugh & Zubillaga, 2010: Lake, 2011: Rowe & Summers, 2012)
- Market research, including product development (Barnes, 2011: Culnan et al, 2010: Datamonitor III, 2010)
- More cost effective and targeted form of advertising (Barnes, 2010: Bynum-Degen, 2011: Culnan et al, 2010: Datamonitor III, 2010)
- Recruiting employees (Datamonitor III, 2010: Griffin, 2011)
- Transparency of company (Culnan et al, 2010: Griffin, 2011)

And not significantly but growing, social media is used also as the place where the actual purchase starts to take place (Olson, 2011). According to Olson, this is seen as the future of e-commerce.

## 2.8 Approaching social media

Corporate communication is still trying to find its place in social media (Kurda, 2012). Many different social media are around, with different aspects, users and therefore different approaches. Still, according to a wide variety of different social media *experts*, overall guidelines overlap to certain extend and apply.

Before companies start to be active on social media, they must know where they are, why they want to be present and be prepared. Companies have to find out where their target group is and what the message is they want to send out to select the appropriate application (Bynum-Degen, 2011: Kaplan & Haenlein, 2010). It is like traditional media: the right medium has to be chosen carefully. And for all this, companies need to understand the respective application beforehand, because otherwise campaigns are bound to fail (Kaplan & Haenlein, 2010: Rowlands et al, 2008) and with a big and fast sharing audience that can severely damage a brand (Datamonitor III, 2010). Especially when in a strategic vacuum situation or when management skepticism prevails, considers should be careful (Barnes, 2010). In certain cases, it is best to join an existing application and profit from its popularity; sometimes building an own one when the right one does not exist could be developed and customized (B&T Magazine, 2011: Datamonitor III, 2010: Kaplan & Haenlein, 2010).

### **2.8.1 Objectives**

A firm should determine first how it is going to measure the success, just like for other media. An overall vision could establish an emotional or aspirational connection between the brand and the consumer (Celantano, 2011). More specifically, objectives should be set also (Culnan et al, 2010). Four main types of performance indicators can be used (B&T Magazine, 2011: Culnan et al, 2010): Financial indicators (e.g. cost reduction of advertising, market research or service department), organization effectiveness (e.g. improved service time), personnel (e.g. employee satisfaction, less staff turnover) and system (e.g. measures related to information security).

Just measuring the number of users is irrelevant if they do not interact with the company or with fellow users (Datamonitor III, 2010).

### **2.8.2 Integration**

All social media applications used by a company should be cross-linked from its main webpage and other web applications in order to attract users (Culnan et al, 2010: Kaplan & Haenlein, 2010). Lake (2011) agrees: “integrate it with other vehicles of marketing”. Nothing is more confusing than having contradicting messages across different channels (Kaplan & Haenlein, 2010: Lake, 2011). Lake adds up to this by emphasizing that it is crucial to be consistent as for the consumer traditional and social media are both part of the same corporate image, but might be not in the view of the organization. Thus, they should be integrated.

### **2.8.3 Employees**

To make the use of social media platforms clear, guidelines must be set, not only for company employees but also for users (Raysman, 2012).

According to Kurda (2012), employees can run or ruin a corporate image. A clear, underlying corporate culture and responsibility for employees leads to commitment, eagerness and engagement is a good base for *social behavior*. A written document, including a code of behavior, should describe in which way which employees are expected to operate how on the various new media platforms: internally and privately (Kurda 2012: Raysman, 2012). These guidelines should be simple to understand so clarification is not an issue (Lake, 2011). An example could be that employees always have to identify themselves as employee when commenting on the company page. For private use, companies should consider whether to encourage or discourage its employees to participate. This consideration is strongly company policy and industry related. Still, according to Kurda (2012), transferring responsibility of the company's reputation to employees building engagement, built on understanding and dialogue is most powerful. In fact, it is more an opportunity than a threat to the company.

Organizations need to develop formal systems and rules to be used by employees to process incoming messages, including whom, how, when and the tone to respond (Culnan et al, 2010: Kurda, 2012). Important is to stick to the "rules of the medium". If users find out companies are not, it is harmful for the credibility of the campaign and the image in general. Window dressing the Wikipedia company page or encountering negative posts anonymously are examples that go in against the rules. *Blend in with other users; do not make it too formal. Do not be afraid to make mistakes because social media users are like you and understand not everything goes smoothly. They even could give you feedback how to do it better* (Kaplan & Haenlein, 2010).

#### **2.8.4 Volatile environment**

The area of social media is very active and fast-moving, and what may be update now can be disappeared from the virtual landscape tomorrow (Kaplan & Haenlein, 2010: Kincy, 2012), which is in contrast with the less volatile traditional media. For this reason, marketers need to stay well-informed of developments (Datamonitor III, 2010) and other industries could be used as examples (Kincy, 2012) Successful companies have paid attention to the ever-changing social environment (Bynum-Degen, 2011). It is more than just being present: it is about the way it is used whether or not social media brings value to companies (B&T Magazine, 2011: Culnan, et al, 2010). But companies have to be aware that this constantly evolving landscape with new advancements brings both new opportunities and risks (Bynum-Degen, 2011). The guidelines, set up before being present are to be followed. Obviously, also guidelines are not fixed permanently, as the online industry is changing rapidly, and should be continuously under improvement. And once a company is present, it must be considered as an engaging task and long term commitment (Barnes, 2011: B&T Magazine, 2011: Dutta, 2010).

### 2.8.5 The engagement of communities

All applications used by the company have to be prominently promoted, using all its other web applications to create a base community. And once this is done, those users have to get engaged to the firm and to other users (Culnan et al, 2010). To commit external people to companies' social media activities, organizations must build communities and learn from interactions how to improve this process (B&T Magazine, 2011: Culnan et al, 2010). The greater the involvement an individual has with the community, the more he or she is likely to contribute to it (Culnan et al, 2010). But engagement comes from both sides: first the company, then from the community, and participants want to be both producers and consumers of information (Kaplan & Haenlein, 2010).

Content is key to retain a critical mass of participants but people do not have a reason to stay active when nothing is offered ; this is where engaging comes into play. Content should be offered that fits the expectations of the audience (Kaplan & Haenlein, 2010). Millward Brown's Value of a Fan study shows that consumers are more likely to respond to brands when something real or tangible is offered, without anything in return. This could be exclusive content, deals or inside information on new products, even more than discount. Engaging those participants can be done through several ways, but the specifics of content depends on the audience. A method getting to know what works for the respective audience is by conducting polls, which is already engaging on its own. Recognizing contribution from the community members, particularly in support or product developments (Culnan et al, 2010), by commenting on their posts or by giving them certain privileges (B&T Magazine, 2011), retains people. Entertainment is another engaging method. For instance showing the fun sides of the industry could bring entertainment value, although entertainment must certainly not outweigh informative content. According to a study among people born after 1993, the use of online media is increasingly motivated by entertainment, making it important for the design and provision of media products and services. Different content types should be used and varied, using video, images etc. (B&T Magazine, 2011). And by using analytics social media activities can be adjusted upon content and type of content demand which improves the interaction eventually (B&T Magazine, 2011: Dutta, 2010: Kaplan & Haenlein, 2010). An example is the finding that "Facebook posts receive 50% of their likes in the first 1h20m, 80% in the first seven hours and 95% within 22 hours". Avoiding cannibalization *Likes* from earlier posts, companies may delay future posts until they have maximized engagement on previous ones (Visibli, 2011).

Interactions on social media are in principal just like conversations in the street: people are expected to respond in a timely manner regularly and in the way people want to be addressed. And social media is not meant for (directly) selling as it shows that it turns off when brands are *talking to them* instead of *with them* (B&T Magazine, 2011). Kaplan & Haenlein (2010) add up to this saying that

social media is all about participation, sharing and collaboration rather than straightforward advertising and selling, which was partly caused by *the largely ineffective pop-up adverts and banner advertisements* some years ago (Datamonitor III, 2010). A 2009 study in the Journal of Consumer Marketing found that Internet advertising was seen as the least creditable form of marketing; moreover, according to Datamonitor III (2010), marketers should bear in mind users have not joined social networks for marketing purposes. Besides advertising, pushing personal or political opinions from the company side should also be avoided by any time (B&T Magazine, 2011: Datamonitor III, 2010).

### 2.8.6 Different audiences

The tone and the language of content should be tailor-made, applied to the targeted audience (B&T Magazine, 2011).

Whereas young people fueled the online social networking trend, audiences are maturing now. Young Adults are still the most active, but many Late Mid-Lifers and Seniors are embracing it. In terms of gender however, one can see a balance between men and female active online. This does not mean they also behave the same online (Datamonitor III, 2010).

Not all users of social media act in the same way. Datamonitor III (2010) identifies three types of users:

**Enthusiastic users:** these consumers enthusiastically embrace the social networking trend and will typically log in to service their accounts on multiple occasions throughout a normal day. While users fitting into this category will spend a long time online, this does not mean they are socially reclusive in the real world.

**Reserved/More reluctant users:** typically, this group includes those consumers who feel that they have to operate a presence on social networks out of necessity. This may be for professional reasons or for remaining in occasional contact with friends and family. This group will not log into their accounts as often. Reserved users will use the bare minimum functionality of a networking website and will be very unlikely to contribute to themed or branded sites within the network.

**Avoiders:** consumers who do not operate active accounts on social networks. This can be due to a variety of reasons such as fears over privacy or simply lack of interest. Some avoiders may have previously maintained accounts but since abandoned them due to disillusionment. Targeting consumer groups that are likely to fall into this category through social media advertising will therefore be futile.

It is up to companies to consider whether or not it is useful to target certain types of consumers (Datamonitor III, 2010).

### 2.8.7 Evaluating social media

Objectives ought to be closely monitored as only in this way activities can be (positively) adjusted and the company can only measure the behavior of its community once it is active on social media. In order to effectively implement social media, companies need to develop absorptive capacity, meaning they need ability to recognize and acquire new knowledge provided by customers, and use this (Culnan et al, 2010). Once a company accomplished its social media goals, it is important to re-evaluate the initial goals (Kincy, 2012).

In line with the above, new trends should be followed and considered and as social media is changing rapidly trends come and go:

Collaborative projects, such as Wikipedia, are becoming the main source for many consumers. Although not everything written on it is true, it is *believed* to be true; this is what counts (Kaplan & Haenlein, 2010).

Pew Research Center, a Washington based think tank, estimates that by 2020 a mobile device the mobile phone is the primary Internet connection tool for most people in the world. Making social media applications mobile too, would likely enable companies to explore currently unexploited base of users; making it relevant to virtually any firm. Keith Weed, Chief Marketing Officer at Unilever also sees this potential: “I can tell you that one of the big things yet to hit us is the full force of mobile. More new people are connecting to the Internet through mobile than PCs. So while we have got 1.7 billion people online globally, we have 5 billion mobile phones.”

Another trend is noticed by Kaplan & Haenlein (2010): *social media web 2.0* is similar to web 2.0 and RFID tags on all items will be able to connect to mobile phones (thus knowing someone is close to a certain place). The combination of above trends can be considered by companies, as it enables companies to send out customized marketing content.

### 2.8.8 Risks

Social media brings, when incorporated in a proper and sufficient way, plentiful opportunities to the corporate world. Companies must understand however, that also risks are involved (Griffin, 2011: Culnan et al 2010). Social media has a big audience, also when it goes wrong (B&T Magazine, 2011).

When a company is not present officially with not an own visible and prominent presence, other groups of users could inevitably create their own one. This can be potentially harmful, because

neither company input nor control is present. Once an independent page does exist, do not have it shut down roughly, because this can create a bad image too (Datamonitor III, 2010).

Now, it is not only journalists bringing and “creating” news. This should be taken into account (Griffin, 2011). As mentioned before, organizations should address possible risks beforehand, by developing policies setting out acceptable and unacceptable behaviors from both customers and employees. Employees can be trained in this also (Culnan et al, 2010). Even when a company does not implement social media, employees are on it; a failure to develop policies governing employee use and to monitor what is said about the firm in external communities is therefore a recipe for trouble (Culnan et al, 2010; Raysman, 2012). And besides not being able to use it afterwards, failing to capture and preserve social media activities risks violating any number of compliance, regulatory and legal requirements. Recent court rulings made clear that the (American) court does not treat it differently from other electronic files (Madhava, 2011), including conversations with customers and employees.

Companies have to monitor what information is published online in order to manage it properly (Griffin, 2011). Negative consumers will always be. It is important to handle them in an appropriate way because otherwise the damage could get worse. Transparency from the company side gives credibility. Therefore, it is not negative to admit mistakes for instance (B&T Magazine, 2011). And even when a company is heavily under fire, social media can help in limiting damage.

## **3. Case study: the social media challenge of Olá: first steps into the new world**

### **3.1 Introduction**

It had been two years since Olá, the famous Portuguese ice cream brand, started to be active on Facebook. Not so long before, social media was a term not really existing within the company.

The company had created Facebook pages in 2010 and social media was a new, developing, world. Now, two years later, Ana Serra, the brand manager of Olá, was reviewing social media reports in order to determine the future of social media within Olá. The official Facebook page of Olá, Olá Gelados, had just passed the 90.000 fans, making it the fastest growing Facebook page of brands in Portugal surpassing companies such as Vodafone and TMN. The page was used to leverage promotional campaigns as well as to engage with end-customers. An example of a campaign exposed (afterwards) on this page was Diz Olá ao Verão, a festivity to kick-off the start of the ice cream summer season. Next to the finish line of the famous Lisbon Half Marathon, with nearly 40.000 runners, Olá organized animations such as a heated dome with a Olá decorated beach inside, promoters handing out ice creams and gadgets as well as a fanfare playing music. Pictures of this event were taken and posted on the Olá Gelados Facebook page and fans could be tagged in those and share them with others.

Serra was aware of all the opportunities social media could bring to the company, like Barack Obama had incorporated social media for his succesful election campaign in 2008.

On the other hand, she also knew the downside of it as Olá was exposed to the outside world not only with positive critics, but possibly also negative. She had seen this already when a Ben & Jerry's Facebook fan openly on the page criticized the organization on a promotion campaign. One thing was certain: social media could not be ignored but neither could it be faced without precautions. How and where could Olá make use of all the opportunities social media was creating and how could it deal with the negative sides? Portugal was more and more connecting to social media. The company was to take decisions on this trending topic.

### **3.2 The global ice cream industry**

Ice creams could be classified in the category of fast moving consumer goods. Fast moving consumer goods were goods with a relatively quick turnover time with a low purchasing price. Margins were in general low, meaning that companies had to sell large quantities in order to maintain a sustainable



business; generally consumers had low involvement with the product. Ice creams could be regarded as a highly seasonal product, sales peaking with warm weather. Ice creams were therefore (mostly) seen as impulse goods, bought when the weather was inviting the consumption of the product.

Western Europe was the continent with the largest sales in ice cream sales. The total value of this market was estimated to be close to € 26 billion in 2011 and had been growing over the years. Although both the Asian and the North American market showed growing numbers, the Asian region was moving away from North America positively (exhibit 1). Globally country wise, over the last years the United States had been the largest ice cream market, with Italy, China, Germany and Japan completing the top five.

### **3.2.1 The ice cream industry in Portugal**

The ice cream market consisted of four segments: impulse ice cream, take-home ice cream, artisanal ice cream and frozen yoghurt (exhibit 2). Traditionally, the impulse ice cream category had the highest market share, for example 47.8% of the total Portuguese market in 2007. That year, take-home ice cream came second, with 37%, followed by artisanal (14.4%) and frozen yoghurt (0.7%).

Back in 2004, the total sales of ice cream in Portugal was around € 366 million. In 2011, this had increased to € 412.1 million, meaning that over this period of time the market had grown by 12.9%. The impulse ice cream was still the leading segment worth € 308.3 million, whereas in-home ice cream valued € 80.1 million. The segments artisanal ice cream was far behind with 23.6 million; frozen yoghurts statistics were not available, but other years showed that this segment just played a marginal role. The forecasts for the years 2012, 2013 and 2014 did not show significant changes (exhibit 3). Over the years, it can be seen that the growth of the segments decreased. Also, the impulse channel was overall slowly losing market share over the take-home and artisanal channels (exhibit 4).

The total market in 2011 had a volume of 66.6 million liters of ice cream, grown from 61.1 million liters in 2004 (exhibit 5).

The average expenditure per capita in 2011 was around € 18.90 per year, whereas impulse ice cream (€ 8.80) and take-home ice cream (€ 7.20) took up most of the part.

The market of ice creams consisted primarily of two main players. Olá had a huge market share in especially the out-of-home channel in Portugal: in 2009 Olá ice creams supplied 88.3% of the total sales whereas its main competitor Nestlé took up 9.9% of the market. In the following years the gap

between them only got bigger, becoming 91.6% for Olá and 7.7% for Nestlé in the beginning of 2011 (exhibit 6).

Regarding the market shares per brand, the top listed ice creams had been stable over the years. Consequently, the brands Cornetto, Magnum, Ola, Camy and Häagen-Dasz were responsible respectively for rankings one to five (exhibit 7).

### 3.2.2 The landscape

As mentioned, the Portuguese ice cream market was heavily dominated by Unilever, but Nestlé was seen as its most important competitor. Yet, the differences regarding market shares were big. The other part of the market was taken by many small players. The market could be described as a duopoly, making it difficult for potential entrants to enter. Olá had a leading position in the Portuguese ice cream market and had been there since decades. Between 2004 and 2008, the overall market share of Olá within the market grew from 53.1% to 58.5%, whereas number two Nestlé saw its market share dropping from 11.8% to 9.9%. One remark to this was that the fourth largest, Häagen-Dazs, was also part of Nestlé (exhibit 8). The market shares per ice cream brand reflected this situation (exhibit 7). Like Unilever, Nestlé operated all over the world, among others in the food and beverage industry. The Switzerland based and Vevey headquartered company carries well known brands such as Kit Kat, Nescafé and Sical. Ice cream brands produced and marketed by Nestlé were Häagen-Dazs, Mövenpick, Dreyer's and Nestlé Ice Cream for example.

No major competition from national ice cream manufacturers existed. This was mainly due to the fact that only in the artisanal segment other Portuguese manufactures were present. The artisanal segment was relatively small and was always significantly affected by seasonality; small manufacturers did not even operate during the winter.

Innovations and launches of new types of ice cream were several. Especially the Ola brand had been launching new ones. In line with the growing Portuguese concerns over food habits, new types were launched either containing less sugar or were more based on water instead of dairy, though ice cream was not (yet) perceived as "unhealthy". The trend of more innovations was expected to continue, not only regarding flavor or sizes, but also regarding (smaller) packaging as well as the promotion of the fewer calories containing ice cream. Also the premium ice creams were expected to play a more important role in the nearby future.

Consumers would find substitutes for ice cream in products like sorbets, smoothies and confectionery. When consumers considered ice cream as a treat, for instance on a sunny day, one could find more substitutes, ranging from a can of Coca-Cola to candy.

### 3.3 Social media

Although "social media" was a conventional term and applied in a wide context, most experts used it as an umbrella term for all the digital platforms, applications and media enabling users to interact with each other, share content and collaborate. Facebook, Wikipedia, YouTube, Dailymotion, Second Life, and different types of blogs: all had different features and attributes, but were classified as social media. Many new social media were created, even daily.

The world of social media had been growing in an exponential way. Facebook, likely to be the most known social media platform worldwide, had seen its number of users growing to over 800 million in 2012. If Facebook would be a country, it was among the largest countries in the world in terms of number of citizens. The websites of Facebook, YouTube and Wikipedia were among the most visited websites globally (exhibit 9). Yet, the landscape was vulnerable to changes. It had not been long since MySpace was the most used platform in the world. Illustrative for the vulnerability of social media, even for the leading platforms, is that between 2008 and 2009 the average time spent on MySpace declined by 31%, whereas the time average time spent on Facebook increased by 699%.

Technical innovations were a reason for the large increase of social media part. The global world got connected to the Internet now not only by using personal computers, but also by cellular phones, the so-called smart phones. These high-tech devices worked like computers and social media were more and more designed to be *smart phone friendly*: social media, everyone, everywhere. In March 2010, web statistics company ComScore announced that mobile visits to Facebook had increased by 112%, whereas visits to Twitter had increased by 347%. Connecting to social media became the number two mobile Internet use, behind accessing news or information.

Like in other countries, in Portugal it was the younger population embracing social media at first but the older generations, late-mid lifer's (35-49 years) and seniors (50 years and older), were also becoming more active on social media. This might be logical, as the younger generation had grown up with Internet and even social media, in contrast to older generations. The way social media was used contrasted though: people aged over 30 years used them primarily to network with people they had lost contact with (but would stop using it when they had got in touch again), whereas younger people had grown up using it. Where one can find differences and shifts in the use of social media

among age groups, no significant differences existed among genders, especially in developed markets; a balance could be identified between men and women and both could be regarded as regular users. Nevertheless, no evidence existed that both genders behaved the same way on social media.

From a corporate perspective, companies wanted to have its social media users to be most committed as possible, because those users were the ones influencing the others, the more passive audience (exhibit 10). A Facebook fan page was a platform to enable consumers to participate in the kind of behaviors that would drive up the levels of engagement, making them more attached to the company. Besides this, when companies managed to establish a large online community base and it was able to derive relevant information from there, social media could function as a strategic information source.

In general, the time spent online kept on growing. For instance in Spain, in 2004 people spent 57.1 minutes online per day on average and 60 minutes in 2009, expected to grow to 63 minutes in 2014. Still, this did not mean that traditional media could be completely disregarded. In fact, it was found that the average U.S. consumer spent 300 minutes per day watching television (!), according to Nielsen's Three Screens Report from May 2009. Also the number of occasions logging into social media kept growing.

In Portugal, 4.3 million people were active on Facebook by the beginning of 2012, approximately 40% of the total population but 87% of the total *online* population and numbers were still growing. Hi5, a social networking site more used by youngster, was also popular with 2.5 million active users. Not long before however, Hi5 was even more actively used than Facebook. Despite older generations were catching up, the age groups of 25-34 and 18-24 were using social media most. Blogging was a type of media that had become popular too, due to the prominence of several high profile people including broadcasters and politicians.

### **3.4 Olá- the company**

The Anglo Saxon multinational giant Unilever was present in many industries such as personal care home care and refreshments carrying famous brands like Omo, Dove, Rexona and Lipton. Another sector Unilever participated in was foods and one of the pillars of this was consumption ice cream. Ice creams were sold under the umbrella of the so called Heartbrand, named after the heart shaped logo. Ice cream products were sold all over the world with the local ice cream companies carrying a domestic name to retain the once established reputation. The used logo's, besides some negligible

differences, were the same everywhere (exhibit 11). Therefore, the same Unilever ice creams were sold in Italy as Algida, in Great-Britain and China as Wall's and in the United States as Good Humor. Despite the mother brands had different names, the ice cream products carried the same names anywhere. Brand names like Magnum, Cornetto and Ben & Jerry's were used in several countries (exhibit 12).

With regards to the Portuguese market, Unilever established a joint-Venture with the Portuguese company Jerónimo Martins in 1949, called Unilever Jerónimo Martins (UJM). Unilever teamed up with this company to start doing business in Portugal as Jerónimo Martins was already the player selling Unilever products in Portugal. The relationship had been healthy up to that point and the several businesses were still growing. Creating a joint-venture was the most efficient way for Unilever to enter the Portuguese market. Anno 2011, Jerónimo Martins was the market leader in Portugal in terms of food distribution (owning Pingo Doce, with over 350 stores the largest supermarket chain in Portugal) and in manufacturing fast-moving consumer goods in the areas of food, personal care, home care and out-of-home consumption through the partnership with Unilever.

The Heartbrand ice creams of Unilever in Portugal went under the name of Olá and were produced and marketed through the joint-venture UJM. By 2011, Unilever owned a major stake of 55% of this joint-venture whereas Jerónimo Martins owned 45% (exhibit 13 for complete UJM brand portfolio). Olá was present on the Portuguese market since 1959 and had never sold ice creams individually (before the establishment of the joint-venture with Jerónimo Martins) in Portugal before this year nor had Jerónimo Martins ever sold ice creams before.

Over the fiscal year 2010 Olá managed to generate revenues of € 34.9 million, a growth of 7.1% compared to the previous year. It employed around 200 employees.

The headquarters of UJM, including the Olá headquarter, was located in Lisbon, next to the shopping center Centro Comercial das Amoreiras. The ice creams for the Portuguese market were produced mainly in one factory in Santa Iria da Azóia, close to the premises of where the 1998 Expo World Exposition was held. The name was later changed to "Parque das Nações", park of nations. Depending on the demand of the market, in this factory ice creams were produced normally solely for the Portuguese market. The factory did not have much storage space and would only produce ice creams on demand. This could lead to the situation that the factory was operating fully over the summer, but could be less active in the winter. In case the capacity of the factory did not allow supplying enough ice cream, Heartbrand factories with over capacity in other countries, such as Italy

and The Netherlands, stepped in. This also worked the other way around when factories in other countries were short on capacity.

Olá carried a wide ice cream portfolio (appendix 14). The company in general had a wide generic target. The different ice cream brands had been created to differ in segments among this large generic target group. Serra describes this as follows:

"We see Olá as the ambassador brand. Here in Portugal everyone knows Olá, it is a well established company. Then, we use the different ice creams to trigger the specific group with its own and unique preferences. Olá Kids, with its Calippo ice creams, focuses on a younger audience whereas Magnum is more directed to an older crowd."

### 3.5 Olá's marketing mix

Unilever, being the umbrella company, sent marketing guidelines to its subsidies, such as Olá. Significant issues were addressed from the main (Unilever) headquarters; the local aspects and more detailed approaches were decided from the subsidiary. This also applied to marketing within Olá. As Serra put it:

"*Brand development* is done from the marketing department of the headquarters, whereas the *brand building* is carried out by the local department team."

Olá itself could not decide on developing a new type of ice cream for example, this was something driven by the Heartbrand headquarters. The "Share happy" slogan was an example of a Heartbrand marketing decision, applied to the different subsidiaries such as Olá in Portugal. Therefore, in Portugal the slogan that was used was "Partilha felicidade", a translation to the Portuguese language. This adaptation of a universal communication campaign, but adapted to the local market was an example of brand building. According to Serra:

"With Partilha felicidade, we carry out the message that we deliver happiness with ice creams. Moments of happiness can be supported, duplicated and shared with everyone by consuming Olá."

The marketing department of Olá was staffed with five employees. For different ice cream brands Olá employed different brand managers. Above them, the head of marketing was in charge of managing this team. No employees were dedicated to social media fully, the company worked together with web agency Fullsix. This agency gave suggestions to Olá for online marketing, but was also in charge of the implementation.

Olá identified two segments when it came to marketing ice cream: the out-of-home channel and the in-home channel. Regarding sales, the in-home channel accounted for 25% whereas the out-of-home channel had a more significant impact, accounting for approximately 75%.

The out-of home segment was seen as the *impulse channel*. It targeted people to consume ice cream literally outside the house. These end-customers were supplied by small restaurants, beach bars or *pastelaria's* (typical Portuguese pastry shops) with their own Olá refrigerators placed in the shop (exhibit 15 for overview of all distribution channels' related definitions). Olá did not deal with those small shops directly: concessionaires were the ones liaising the contact with the shop holders on the one side. When a new beach bar is opened, it was the concessionaire responsible for that particular area (with its own designated zone) to approach this bar and to propose and negotiate offering the bar to adopt Olá ice creams in its assortment. If accepted, the beach bar ordered Olá ice cream from the concessionaire and the concessionaire ordered the ice creams from Olá. In addition, Olá was present with 40 Olá ice cream shops in the higher densely shopping malls, selling ice creams and ice scoops. Although the shops were owned and managed by a master franchise, JRMS (owned by Jerónimo Martins), the marketing and communication strategy as well as the activities were of responsibility of Olá.

As for the in-home channel, Olá Ice creams were sold through the large retailers, most often in take-home ice cream packages. The company would deal with those big retailers directly, without a concessionaire in between. Examples of large retailers Olá was selling its ice creams to were Sonae, through its subsidiary Modelo Continente, and Carrefour.

Olá had done qualitative research on how the company was perceived in the market. People had to compare Olá with human characteristics and seven came out most frequently mentioned: familiar, close, informal, joyful, fun, young, ambitious, with the sense of opportunity.

Quantitative research showed that 95% of the Portuguese consumers recognized the heart shaped logo, even without the name "Olá".

For the future, Olá had set out four main objectives:

- i. Grow awareness among Portuguese people.
- ii. Be more present in the Portuguese life- increasing purchase frequency.
- iii. Fight seasonality- to be sold more in the winter period.
- iv. Increase impulse buying by implementing new innovations.

The company had not been hit significantly by the (global) financial crisis, which had started in 2008. Portuguese people were still buying Olá ice creams, despite the situation being not flourishing and the diminishing purchasing power of the people.

The company was more severely affected by the- more cold and rainy than usual- summer of 2011. Ice cream sales were still highly depending on the seasonality, from out-of-home impulse buyers. Because the months September and October of 2011 were better than in other years, the company had been able to regain some of the lost turnover from the summer. Despite this, seasonality was a problem to Olá. One way the company was trying to fight this was to "move" the start of the summer season, the most revenue generating period of the year. A peak of ice creams could be noticed starting around Easter, the beginning of April.

In 2012, Olá tried to start the peak of sales earlier, to February, for instance by "teaser actions". On radio channels commercials were broadcasted, asking people if they already *had gone to Belem and had seen the towels that were mysteriously placed*, for example. In a couple of places, like Belem, the company had spread out Olá gadgets, supporting a summer atmosphere. All was intended to give people the summer atmosphere and to start off the summer season earlier. *Diz Olá oa verão*, say hello to the summer, with a twist to the company name. Afterwards, pictures and videos of the events were uploaded to the Facebook page. Increasing the top of mind awareness of the people would substantially bring more sales; which was a key learning of Olá from previous years.

The last years, the company had done more to enlarge its superiority on the Portuguese market. It had worked on the visibility of its presence at the Olá ice cream out-of-home distributors, the so called points of sales. One of the changes was on the Olá pricing board, the board pastelaria's placed outside to advertise the availability of Olá ice creams; was made more outstanding, expressive and innovative (exhibit 16). The company had also been present at several events handing out gadgets,



like the marathon (explained in the introduction). For the in-home channel, it had been promoting the 'buy a package-get one ice cream for free' campaign, which became a success.

The environment of the global and, more specifically, the Portuguese economy forced companies to take even more decisive decisions on how and where to allocate resources to as budgets for marketing were decreasing. *Many companies were turning to social media as a low-cost marketing tool, reaching an increasingly bigger audience*, according to Armando Alves, head of social media at Fullsix.

### 3.6 Olá and social media

It was in April 2010 when Olá started making use of social media, when the official Facebook page - Olá Gelados- was created and online (exhibit 17). It started off having minor communication with its fans and activities were few. This was due to its small allocated social media budget, which all had to do with the aftershocks of the global financial crisis. Still, the Facebook page became popular, people started to engage on it and it kept on becoming more popular in terms of fans (exhibit 18).

One year later, Unilever was convinced by the success of the page and Olá started other official Portuguese market directed Facebook pages for specific ice cream brands, respectively Cornetto, Magnum, Ben & Jerry's and Carte D'or. In terms of segmenting the market online, Olá kept the same approach in line with the brands: Olá Gelados was directed to a broad audience, whereas Magnum was focusing on adults between 18-35 years old and Cornetto on a public between 15 and 24 years.

As explained before, Olá was part of UJM which was partially owned by Unilever and partially owned by Jerónimo Martins. Unilever, as major shareholder in this joint-venture and as holder of the different Heartbrands across the world, had a large stake in major decisions. On the other hand, Jerónimo Martins had local expertise as the company had been doing business in the Portuguese market since 1792. Guidelines were provided by Unilever concerning the use of social media, ensuring a global approach. Then, it would be up to the head of marketing and the respective brand manager, in collaboration with web agency Fullsix, to implement them. Characteristics of the local market were obviously taking into account whether to implement those or not. Although Unilever understood local differences exist, not so much freedom was given to Olá. Serra:

"Sometimes it is not easy to deal with Unilever headquarters regarding social media. Unilever implemented a new global digital strategy, with the intention of gathering all different

Facebook country pages together. We had already created a Cornetto page before however and this always managed by us without any interference of the headquarters."

In the decision process in acting locally or universally, a field of tension was sometimes present. The locals (Olá) sometimes felt it would be more promising to act assertive, as the ones that speak the language of the consumers in Portugal.

According to Serra, the company tried to speak the same (type of) language online as its public, to be one of them closing the proximity of the company and customer distance.

Not all social media users behaved the same. Olá knew that, but no start was made segmenting them in behavior. Generally speaking, three types of people were identified on social media: the enthusiastic and active ones, the not so active and more reserved ones, and the people that had used but started avoiding it now, for some reason. The community on Olá's Facebook page appeared to be most engaging to status updates and shockwave movies (exhibit 19).

By Serra, Facebook was seen as an important part of marketing:

"Facebook is a very huge marketing tool. We can detect in the broadest sense if there are things not going the way they should so we can improve them. We can use it to become aware of the wants and needs of the market and adjust our implementations to those. Moreover, it is a useful way to get insights on our sales and marketing perspectives. We can be close to our consumers and can reach them in a fast and easy way."

When it came to social media marketing, Unilever would send a global (Facebook) content plan to Olá, as well as to the other Heartbrand subsidiaries in other countries, on a monthly base. These included a daily calendar with suggestions of postings on Facebook such as certain sentences, polls and pictures and were forwarded to its web agency Fullsix. Then, Fullsix created a calendar for social media activities, taking into account the suggestions. These were minimally used however, and if used developed upon. When approved by Olá, Fullsix used them for Olá's social media activities. Justifications when guidelines or suggestions were not implemented by Olá were highly appreciated by Unilever.

From the company side, the Olá Gelados page was used mostly to post content on it, most of the times photos were used (exhibit 20) in combination with different types of comments: sometimes

with just a warm hello, a company announcement, daily Portuguese life facts and other times funny twists were made. According to Alves, *at first, the smaller audience on the Facebook page made it easier for people to get to know each other online, and thus creating a community feeling*. It looked like this community feeling became less over time though, as the engagement of people decreased while the number of fans was still growing ( exhibit 21).

According to Serra, companies in Portugal were aware of the growing importance and opportunities that social media brought and would bring in the future. Yet, Olá had not gone further incorporating social media into the marketing activities other than Facebook. A reason for this was that the budget, allocated to social media, was insufficient and did not allow the company to enhance this. Also, the Portuguese people seemed not to be present like people in other countries. In spite of all, Serra knew this could be the right moment for Olá to incorporate it more into the strategy and become more present on social media:

"Social media in Portugal can still be regarded as a novelty. The Portuguese people are, less than the Portuguese corporate world, able to foresee this growing world and know how to make use of it and profit from it. This might have to do with the fact that Internet is still not being used in Portugal on a scale compared to other Western countries, especially not in more rural areas. Those people are not aware of the power of social media...yet. In short, companies are aware, people not."

Social media, and Facebook in particular, was seen by Olá as a tool to get in touch and stay in touch with its customers. Serra:

"Nowadays, a lot of communication with our customers is already done through Facebook. It is a direct way to speak to them. I think the importance of social media is for companies to engage people and as a way to promote the proximity as it will only grow in the future."

Social media could be one of the pillars for the company, especially to achieve the first two objectives it had set out for the future (see Chapter 3.5 Olá's Marketing mix) but no specific measurable social media objectives were formulated. Alves also had seen the opportunities of social media: "in some occasions, more people are present online and on social media than there are watching television."

For the nearby future, Alves could see Olá perhaps moving into blogging:

"Blogging really drives word-of-mouth. Possible ways of making companies to be mentioned in blogs are sampling products, organizing events or just simply saying "thank you" to fans or customers."

Despite all the opportunities social media could bring to the company, Serra was conscious social media also had another side of the coin:

"It is a great opportunity for us to engage with our customers. However, this also means that we can be exposed to the market negatively. An example of this could be negative comments on our Facebook page, and other people can openly see and share this. It could affect the image of the company. Moreover, we are exposing and revealing strategies and developments online and our competitors are watching us."

As showed in the introduction, Olá had already experienced negative postings on Facebook. It was one of the issues the company was having towards dealing with social media. Olá's policy was to contact those persons directly, not commenting on the post on the Facebook page itself. The company would inform what had gone wrong and how it could be solved. Also, in order to settle the dispute, Olá gave a coupon to complainants.

The company also knew that social media was not a set tool: it just had started and was developing in a rapid way, more and more people adopting it and new platforms were created every day: reasons to stay on top of the evolutions. As Alves said, *the social media environment is nowadays very changeable. Facebook, an established platform, is always changing. Opportunities come and go every day.*

### **3.7 Olá's competition on social media**

Nestlé, Olá's largest competitor on the Portuguese ice cream market, was also present on Facebook. It started Gelados Nestlé in June 2011, but although it was trying to engage people with questions and other types of postings, it had hardly managed to surpass the 8.000 fans.

Like Olá and Nestlé, other companies in Portugal also had moved into the world of social media. In terms of fans, Olá had not been able to enter the top 10. The number 10 ranked brand, Moche, already had 246.000 fans. Nike Football Portugal, the number one on the list, approached 800.000

fans (exhibit 22). Nestlé, the main competitor for ice creams in for instance, was also present. Fullsix, like any other marketing agency, kept its eyes open to see what was going on on social media with regards to the ice cream industry. Nevertheless, according to Alves it was more useful to check upon other industries for good ideas and examples:

"Especially the companies with drinks and sweets are more present and active on social media. They are ahead of us. The reason why those companies are investing more in these tools is that so called top of mind awareness and purchase intent are more important to them. When it is hot, people start looking for ice creams themselves without having to be reminded. They do not need to be reminded by social media nor any other media, they know what they want. That does not apply to chocolates. Therefore, companies such as Mentos and Mars are very active on social media and we can learn from them."

Many companies, across all industries, were present on social media, and thus illustrative cases about online success stories, but also on failures, were seen:

Kellogg had set up a Facebook fan page for its brand Pop-tarts and had been able to amass over one million fans by dedicating commitment. It frequently updated content that encouraged fans to contribute, even ideas for new flavors and products. This ensured fans to continue to be motivated to visit and interact online.

The organic grocer United States based company Whole Foods used Twitter for marketing purposes. The popularity on the social media site was ascribed to the quality of the content posted: links to a variety of third-party articles detailing benefits of organic foods and healthy lifestyles in general, and encouraging customers to campaign for new Whole Foods stores, which created a good degree of interaction and thus increasing brand engagement levels.

Zappos, an online retailer of footwear and other clothing, relied successfully on its employees driving marketing through Twitter. This led to a humanized customer service, as employees would not exclusively post company related content. Hence, it made customers interact with individuals, rather than a faceless company (exhibit 23).

Many organizations were benefiting from social media, but not all. Companies were aware of risks of social media and examples of negative exposure were known. Poorly executed social media campaigns had proven to be damaging for a brand beyond marketing failure. When things went wrong, they were exposed to big audiences:

Nestle suffered a public relations disaster through the way it had responded to comments on its Facebook page. The page became subject of many negative comments in March 2010 after a campaign from protestors and environmental pressure groups as Greenpeace, because Nestlé was accused of using palm oil in its products, deemed irresponsible environmentally. Protestors adopted altered versions of Nestlé logos and trademarks on Nestlé's official social media page (exhibit 24). The company started censoring users and when the company was accused of inhibiting freedom of speech and expression, it responded in a condescending and sarcastic way. This reaction exacerbated the situation, causing much negative publicity, and on the specific day Nestlé saw a severe price drop of its shares.

Also Domino's Pizza faced negative publicity, when two employees posted a video on YouTube revealing unhygienic practices with food in the kitchen. The company responded differently from Nestlé's reaction however, limiting the damage caused, by explaining the situation, pointing out it was an exception but that actions were taken.

### 3.8 Where to go?

Olá had already taken the choice of being present on Facebook some years ago and the company was satisfied with the development of its activities. Nevertheless, it knew it could do a lot more for the company. It was far off from the most popular sites in Portugal. Serra had seen the positive examples of companies from different industries using social media, but also Nestle's Facebook page which had caused so much negative exposure. Just being more active online without any plan would be too dangerous. What would be the sustainable road to success? And could social media ever become an integrated cross-divisional business activity marketing tool within Olá rather than a communication tool? Serra was facing decisions and knew she needed additional resources to be able to carry out a successful social media plan, as the information she had at that moment would be too limited. Therefore, an online survey was set up (related results can be found in Chapter 4 Market research).

## 4 Market research

### 4.1 Methodology

An online survey was conducted to gather additional information to being fully able to address the research questions. The questionnaire was mainly published on Facebook. Throughout a time span of nine days, a total of 110 questionnaires was filled out completely; the answers to those are the input for the results below. The results are rounded.

To provide a clear picture, answers to the questions are divided among the research questions (excluding research question 1: this question is answered by applying the case study). Only the more relevant results are taken from the survey. For certain questions, not only the overall results are mentioned but also additionally the answers from the respondents from Portugal highlighted separately, when significant differences appeared and/or when relevant. Although questions are divided among the different research questions, the results of research questions i, ii and iii have an effect on the outcome of research question 4 in conclusions and recommendations.

### 4.2 Problem statement

Like many companies, Olá is on the edge of increasing its social media activities, after it has been active in this new world for two years. The purpose of the study is to analyse how Olá can use and improve social media activities in the advantage of the company.

### 4.3 Research questions

The following research questions are compiled to being able to address the problem statement:

- i. **How is Olá active on social media?**
- ii. **What is consumers' general behavior and perception towards social media?**
- iii. **What is consumers' purchase behavior towards ice cream?**
- iv. **What is the most effective social media approach for Olá?**

### 4.4 Demographics

The characterization of the sample group was almost equally distributed in terms of gender: male consisted of 48.2% and female 52.8%. In terms of age, the most respondents had an age between 25-34 (42.7%) and 18-24 (40.9%), followed by 35-44 (9.1%) and 45-54 (5.5%). In line with the expectations, the sample presented divers nationalities: The Netherlands (31.8%) had most representatives, followed by Portugal (24.6%). The other part came from other, different countries (43.6%). 41.8% of the respondents had completed a master's degree or a bachelor's degree (35.4%).

28.2% of the sample size preferred to not reveal the annual income, whereas 25.4% earned less than € 10.000 annually, followed by € 10.001-€ 20.000 (19.1%) and € 20.001-€ 30.000 (12.7%).

## 4.5 Research data

### Research question ii: What is consumers' general behavior and perception towards social media?

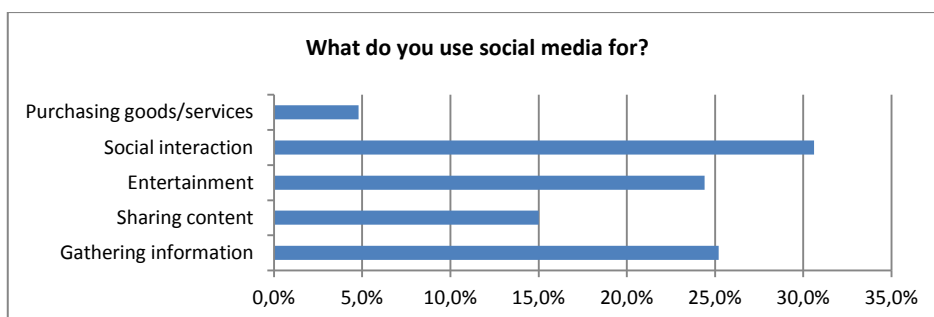
Respondents were asked to indicate how often they actively use different social media. Facebook is by far the most used platform: 57.3% uses it more than once every day, 25.5% once a day. YouTube is the second most frequently used medium: 30% uses it every day or more, and another 30% between 3-6 times a week. Despite this, less respondents *never* use YouTube compared to Facebook.

"How often do you actively use the following types of social media?"

	Never	Less than once a week	Once-twice a week	3-6 times a week	Every day	More than once every day
Facebook	6.4%	0.0%	1.8%	9.1%	25.5%	57.3%
YouTube	2.7%	11.8%	25.5%	30.0%	15.4%	14.6%
Twitter	59.1%	14.5%	9.1%	2.7%	5.5%	9.1%
LinkedIn	31.8%	30.0%	20.9%	8.2%	6.4%	2.7%
Blogs from others	46.4%	25.4%	12.7%	7.3%	5.5%	2.7%

When zooming in at Facebook and age ranges it shows that younger generations use the platform more actively than older generations: 91.1% of respondents between 18-24 years log in once or more than once every day. For the generation of 25-34 this is 85.1%. When it comes to older generations, the usage becomes less (45-54: 66.6%, 35-44: 50%), although this group is significantly underrepresented in the sample.

Respondents were asked to distribute 100 points, according to the time spent on social media using it for a certain activity. Time is on average mostly time spent on social interaction (30.6%), followed by gathering information (25.2%) and entertainment (24.4%).



Respondents then were asked to indicate in what percentage of purchases they were influenced by friends on social media last year. These results are crossed with the question from above, exclusively regarding the category groceries. Of the (few) respondents that agree to the statement that social



media influences their grocery purchase, the largest part (62.5%) indicates that they are in fact never or only in 0-20% of the purchases is influenced by friends on social media. Negligible, but regarding the respondents strongly agreeing, 50% (one person) is never or only in 0-20% of purchases influenced by friends on social media.

The same crossing was done regarding the influence of official company content, again exclusively for the category groceries. Of the (few) respondents that agree to the statement that social media influences their grocery purchase, the majority (75%) indicates that they are in fact never, or only in 0-20% or 20-40% of the purchases is influenced by friends on social media.

Respondents were asked in which two ways they think companies in general can make use of social media, and how they think ice cream brands can make use of social media (therefore 200% is the total of each column).

Regarding companies in general, customer interaction was mentioned most (50%), followed by more cost effective and targeted form of advertising (40%), market research and improving awareness (both 35.5%). Portuguese people answered less distributed, favoring more the customer interaction (55.6%) and more cost effective and targeted form of advertising (48.1%).

For ice cream brands specifically, improving awareness was named most (52.7%), followed by customer interaction (50%). The Portuguese respondents however, named customer interaction most (63%), followed by improving awareness (48.1%).

When comparing opportunities for companies in general and opportunities for ice cream brands specifically, especially improving awareness is much more favored when it comes to ice cream brands.

**"What are the main opportunities of social media?"**

	For companies (in general)		For ice cream brands	
	All respondents	Portuguese respondents	All respondents	Portuguese respondents
Customer interaction	50.0%	55.6%	50.0%	63.0%
More cost effective and targeted form of advertising	40.0%	48.1%	32.7%	25.9%
Market research	35.5%	37.0%	32.7%	25.9%
Improving awareness	35.5%	22.2%	52.7%	48.1%
Building a community	30.9%	29.6%	25.5%	25.9%
Recruiting employees	4.5%	7.4%	0.9%	3.7%
Transparency of company	3.6%	0.0%	5.5%	7.4%

### Research question iii: What is consumers' purchase behavior towards ice cream?

Regarding the influence of social media on consumers' purchasing behavior, respondents indicate social media has a higher influence when it comes to the categories movies, music & games (70.9% agrees or strongly agrees) and books (44.1%) than it has on groceries (where ice creams can be included) (70% disagrees or strongly disagrees).

#### "I am influenced by social media when purchasing the following type of product"

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
Movies, music & games	7.3%	8.2%	13.6%	57.3%	13.6%
Books	20.9%	22.7%	17.3%	32.7%	6.4%
Groceries	35.4%	34.5%	20.9%	7.3%	1.8%

In line with the expectations of researcher and Ola's indications regarding the seasonality of the sales, respondents consume most ice cream in the summer (50% between 4-8 times a month, 14.5% more than 8 times), followed by the spring.

#### "How often do you normally consume ice cream?"

	Once or less than once a month	Twice to 3 times a month	4 to 8 times a month	More than 8 times a month
Summer	5.5%	30.0%	50.0%	14.5%
Spring	35.5%	48.2%	12.7%	3.6%
Autumn	64.5%	28.2%	5.5%	1.8%
Winter	82.7%	11.8%	3.6%	1.8%

To see where people purchase ice cream (which might be connected to social media in a future stage), respondents had to indicate their **two** most used points of sale regarding ice cream (again, therefore 200% in total is distributed among the different options). Supermarkets were used most, both for all respondents (69.1%) and Portuguese respondents (63%). Independent retailers seem to play a bigger role for ice cream purchases for Portuguese people than for people in general, whereas the opposite can be said about specialist retailers.

#### "Where do you purchase ice cream normally?"

	All respondents	Portuguese respondents
Supermarket	69.1%	63.0%
Independent retailer (e.g. small store, pastelaria)	45.5%	59.3%
Specialist retailer	40.0%	29.6%
Convenience store	27.3%	29.6%
Service station (e.g. gas station)	13.6%	18.5%
Other	4.5%	0.0%
Pharmacy/drug store	0.0%	0.0%

When purchasing (a specific type of) ice cream for the first time, respondents base their decision mostly on the reputation (25.5%), followed by a peer or colleague recommendation (22.7%).

**"Where do you normally base your decision on, purchasing (a specific type of) ice cream for the first time?"**

	All respondents	Portuguese respondents
Company reputation	25.5%	25.9%
Peer/colleague recommendation	22.7%	33.3%
Advertisement	13.6%	14.8%
Price	13.6%	7.4%
Other	13.6%	7.4%
Prior relationship with vendor	8.2%	11.1%
Vendor recommendation	2.7%	0.0%

**Research question iv: What is the most effective social media approach for Olá?**

Among the respondents, a majority of 53.6% indicates not to be aware of social media activities by ice cream brands. For the Portuguese respondents, this is even more: 63%.

**"Are you aware of any social media activities by ice cream brands?"**

	All respondents	Portuguese respondents
No	53.6%	62.9%
Not sure	26.4%	22.2%
Yes	20.0%	14.8%

Again, in line with what came out of the meetings with Olá, the majority of the respondents prefer the Facebook page of the Heartbrand to be national (57.3%); of the Portuguese respondents even a larger majority (77.8%) indicates the same.

**"What would you prefer the Heartbrand Facebook page to be?"**

	All respondents	Portuguese respondents
National	57.3%	77.8%
No preference	24.5%	11.1%
Global	18.2%	11.1%

Respondents had to rank activities of Heartbrand on social media according to their expectations (from 1-4, 1 being the most expected). Most respondents expected the Heartbrand to use social media for advertisements and/or promotions (1.89), followed by interaction between customers and the company (2.37).

**"What do you expect from Heartbrand on social media?"**

Advertisements/promotions	1.89
Interaction between customers and the company	2.37
Information about the company and its products	2.45
Entertainment/games	3.28

## 5 Conclusions

### 5.1 Conclusions and suggestions

Social media is a very active and fast-moving area, changing and developing every day (Kaplan & Haenlein, 2010; Kincy, 2012). The online applications, platforms and media aiming the facilitation of interaction, collaboration and sharing of content (The International Social Media Research 3, 2008) are in Portugal, like in other developed countries, big, growing and expected to become even bigger (U.S. Department of State, 2011). Thus, they matter and are here to stay (Barnes, 2010). It has changed the business landscape. People can interact anytime anywhere. Companies too, with these (potential) customers; if used in a proper way, in the advantage of companies for multiple purposes. It brings companies and consumers together (Fisher, 2009). And that is what companies aim for.

#### **Research question i: How is Olá active on social media?**

For two years, Olá has been actively present on social media. It began with a single, (local) official Olá Gelados Facebook page, aimed at a generic target group, like the company. The page started off having minor activities with and towards its fans: mostly short messages with either company announcements, facts of (Portuguese) daily life, or just funny twists, accompanied with an image, all directed from the company side. Yet, the page had grown in numbers of fans over time and this was the reason to launch Facebook pages for the respective Heartbrand brands Cornetto, Magnum, Ben & Jerry's and Carte D'or, again local and for these in line with the more specified target groups. Olá uses the pages to engage with its customers. Up to now, Olá has not gone further with regards to its (continuous) activities on Facebook nor on other types of social media. Despite the above, research showed that a significant percentage of the Portuguese people is not aware or not sure of social media activities by ice cream brands, the industry where Olá is the clear market leader.

#### **Research question ii: What is consumers' general behavior and perception towards social media?**

From research, it became clear that, besides being the social medium with most users in Portugal, Facebook is, by far, the most frequently used social media platform, especially among the younger generations. YouTube is the second frequently most platform (although a small percentage *never* uses it). When social media is used, it was found that most time is spent on social interaction, followed by gathering information and for entertainment purposes. People seem negligibly influenced by social media regarding purchasing groceries (including ice cream), mostly in contrast with movies, music and games, and books. Concerning the opportunities of social media for companies, the interaction with customers is seen (especially by Portuguese) as the main one, followed respectively by an effective way of advertising, market research, improving awareness and a

way of building a community. Recruiting employees and being transparent are clearly two less favored opportunities for companies.

**Research question iii: What is consumers' purchase behavior towards ice cream?**

Ice cream is subject to seasonality, mostly consumed in the summer and spring. People tend to purchase ice cream mostly in the supermarket, followed by respectively independent retailers (especially in Portugal), specialist retailers and convenience stores. When opting for a new type of ice cream, people rely mostly on the company reputation and recommendations from peers or colleagues.

**Research question iv: What is the most effective social media approach for Olá?**

Olá is present with different Facebook pages. For Olá Gelados, Facebook seems to be the right social media platform to use as it has the largest reach and is most frequently used by different age groups and is therefore in line with the broad target group of Olá. This congruences with Olá's overall growing awareness objective. Regarding the different ice cream brands, it might be worthwhile to explore other social media platforms with different elements, as these brands have a less broad, more specific target group. The chosen platforms should have the same target group specific elements (Bynum-Degen, 2011: Kaplan & Haenlein, 2010) and dynamics. To limit possible threats beforehand, simple (Lake, 2011) internal and external guidelines (if not existing yet) are suggested to be set (Kurda, 2012: Raysman, 2012).

For the future, Olá ought to set out social media performance indicators, enabling the company to measure the performances and the chosen track (B&T Magazine, 2011: Culnan et al, 2010). Although already partly done, the social media activities are suggested to be linked with each other and with other marketing vehicles (Lake, 2011), in a global setting. However social media offers a wide range of (potential) opportunities: to engage users it is recommended to focus activities on customer interaction and increasing the awareness of the company. At first, especially advertisement (which is discouraged by the literature) and/or promotions are most expected means by people. Because ice cream is mostly purchased from supermarkets or independent retailers, these points of sale could be targeted with or through social media, mostly by emphasizing the reputation of Olá or gaining exposure (e.g. through sampling coupons distributed through Facebook) and through this having Olá ice creams recommended. As grocery purchases (including ice cream) seem not to be influenced by social media, the activities ought to focus on promotions or advertisements (once again, this is discouraged by the literature), as mentioned before. To fight seasonality, suggested social media activities could be somehow intensified during low sales seasons.

To enhance the implementation of social media and the profiting from it, Olá ought to stay well informed on developments in this area and monitor interactions (B&T Magazine, 2011) since it is changing continuously (Datamonitor III, 2010) and Olá should act upon the findings.

Social media may bring a variety of opportunities to the firm, but must be considered as an engaging and long term commitment task (Barnes, 2011: B&T Magazine, 2011: Dutta, 2010).

## **5.2 Limitations of the study**

Although researcher tried utmost to publish a comprehensive dissertation, it entails certain limitations.

Researcher has not used as much information from considered top journals as intended beforehand, something which obviously would have been more applicable. The reason behind this was that researcher in certain cases could not find the relevant and/or appropriate information from top journals, yet the large majority was found through EBSCO. An explanation for this might be found in that social media is a current and developing topic and research articles concerning this topic are not yet widely available from those type of journals.

Only little actual company data is used due to confidentiality purposes. For instance information on sales volumes and financial results are therefore limited.

The used data in the case study comes mostly from Datamonitor and Euromonitor reports. These reports use historic industry data and for future years estimations are calculated. In certain cases, throughout this dissertation forecasted data is used as factual data as no real data was available (yet). Those estimations might not correspond with the reality.

An online survey was conducted to gain (further) insights and information concerning social media, consumption ice cream and Olá and equivalent foreign associated companies. Although the survey was set up to derive most relevant information, it nevertheless entails certain limitations. The survey was conducted online without the physical presence of the interviewer, meaning that respondents were not able to get clarifications on questions if needed. Respondents were from several countries, with different languages; the survey was set up in English and this might entail that questions, due to language barriers, were not interpreted in the same way across countries. Furthermore, a limitation of the survey consists of the sample size: due to time constraints the survey had a relatively small duration to grant researcher sufficient time to analyse and process the gathered data. The analysis was based on 110 fully completed questionnaires. The survey was conducted mostly under younger aged people as it was mainly distributed through interviewers' social media acquaintances; this might have given biased results. Another limitation of the survey is that to come to an acceptable

sample size, a limited part of the sample group is Portuguese; as this dissertation focuses on the Portuguese market, a larger Portuguese sample (size) would have been more appropriate and would have given a more relevant outcome.

### **5.3 Suggestions for future research**

Social media is a recent topic and is still developing each day. This leads to a situation that research, at least for now, never stops.

For future research, it is suggested to follow up on Olá and/or the ice cream industry with regards to social media. Olá started social media activities only two years ago and it would be of interest to look back at Olá how they have moved on from this point of time. In addition, future research could be focused on the (potential) consumers of Olá and/or Olá's community on social media. It would be relevant to identify specifically the needs and wants of this group and when those insights are implemented, future research could examine the results of these amendments. Conducting focus groups among its community could lead first to better and/or specific questionnaires, and from here a better analysis.

Future research is also suggested to deepen the present research on social media in Portugal. Completer, in-depth research, resulting in a larger scope and size of the sample, could lead to better insights with regards to social media in Portugal, something which is not yet really available.

## 6 Teaching notes

### 6.1 Synopsis

Olá is a Portuguese based ice cream company, founded in 1959. By far, it is the market leader of consumption ice cream in the Portuguese market.

The Olá case study focuses on the first steps of the company in the world of social media. The case introduces students to a real life example of a company dealing with all the aspects of this relatively new phenomenon bring, current within companies across different industries all over the world. It functions as metaphor for similar business issues.

The case is divided amongst different sections aligned to Olá.

The case study starts by explaining the ice cream industry, briefly global and mainly in Portugal. It shows how it has developed over recent years, enabling students to comprehend the context and environment.

Then, in order to show the importance of social media in nowadays' business, a global introduction of social media in a worldly context, including few facts about social media in Portugal.

From there, it is explained how Olá was founded and the way it is "connected" to Unilever and Jerónimo Martins.

Now, the study zooms in at Olá and how the marketing mix is structured, allowing students to connect this to the social media section later on.

At this point, readers have a better picture of what social media entails, and the connection with Olá and its social media activity and approach can be made. Olá had recently become present on it, understood the potential and was now on the edge of proceeding further. Yet, social media had just took off and was still a relative "unexplored world": a feeling that is existing in more companies these days.

To conclude, competition on social media in a wide context is pictured: best, but also poor practices, from different industries, are shown to emphasize the severe potential impact social media could have and to show it is possible to take advantage from other companies' activities online.



## 6.2 Target audience and teaching objectives

"The social media challenge of Olá: first steps into the new world" is appropriate for under graduate, graduate and executive MBA programs as well as for in-company training. The case can be used for different (strategic) marketing courses covering aspects on marketing, Internet marketing or social media.

Students are able to discuss the approach of social media and should critically analyze the potential possibilities and threats of it. No specific right or wrong answers exist. The main challenge for future managers is to be on top of the social media development.

Skills that students can develop throughout working on this case include analyzing, researching and group discussion abilities.

## 6.3 Teaching plan

Instructor instructs students before reading the case study to spend time on researching what social media entails. Therefore, three mandatory articles/reports are given (see bibliography for further details):

- "Users of the world, unite. The challenges and opportunities of social media" by Kaplan & Haenlein
- "Double edged sword of communicating via social media" by Griffin
- "Opportunities in social media: profiting from digital conversation" from Datamonitor (in bibliography referred to as Datamonitor III)

This ensures students to be on a minimal level on knowledge concerning social media, enhancing the in-class discussion.

### Suggested questions

The guidelines regarding the answers of the questions should be taken in a broad sense.

**Question 1. Present a SWOT analysis of Olá with regards to its social media activities.**

<p style="text-align: center;"><b><u>Strengths</u></b></p> <ul style="list-style-type: none"><li>• Company reputation/ high awareness</li><li>• (Large)growing Facebook community established</li><li>• Guidelines from (multinational) headquarters provided</li><li>• (Certain) social media policies set out</li><li>• Personal contact between company and fans</li><li>• Facebook community is engaging with each other</li></ul>	<p style="text-align: center;"><b><u>Weaknesses</u></b></p> <ul style="list-style-type: none"><li>• Guidelines from (multinational) headquarters provided</li><li>• Not among top listed Facebook community bases in Portugal</li><li>• "Just "active on Facebook/social media</li><li>• No measurable social media objectives set</li><li>• No full-time focus on social media</li><li>• Small allocated budget</li><li>• Engagement of Facebook community became less over time</li><li>• Mainly one-way content posted</li></ul>
<p style="text-align: center;"><b><u>Opportunities</u></b></p> <p><i>Of social media in general:</i></p> <ul style="list-style-type: none"><li>• Building a community</li><li>• Customer, employee and other stakeholders' interaction</li><li>• Improving awareness</li><li>• Market research</li><li>• More cost effective and targeted form of advertising</li><li>• Recruiting</li><li>• Visibility of company</li></ul> <p><i>Of more specific trends:</i></p> <ul style="list-style-type: none"><li>• Large audience</li><li>• Older generations start to adopt now</li><li>• Social media on mobile phone</li><li>• Continuously changing landscape</li><li>• Quick response time</li><li>• Time spent on social media is increasing</li><li>• Growing number of times logging in to social media</li><li>• Growing number of users (including Portugal)</li><li>• Blogging becoming popular (Portugal specific)</li><li>• Financial position Portugal (cost effective communicating)</li></ul>	<p style="text-align: center;"><b><u>Threats</u></b></p> <ul style="list-style-type: none"><li>• Continuously changing landscape</li><li>• Negative exposure would be to a large audience directly (from customers and employees)</li><li>• (ROI) Measurement unambiguous</li><li>• Time-frame to correct mistakes affecting the audience is short due to wide and immediate exposure</li><li>• Internet usage low in Portugal compared to other countries</li><li>• Financial position Portugal (less opportunity for social media usage)</li></ul>

**Question 2.** Explain the differences between social media and traditional media. How could social media be more effective as an advertising tool than traditional media? Give an Olá example where social media is more effective as an advertising tool than traditional media. Give also an Olá example when a traditional media could be more effective than social media.

**Explain the differences between social media and traditional media**

<p style="text-align: center;"><b><u>Characteristics of traditional media</u></b></p> <ul style="list-style-type: none"><li>• Focuses on one-to-many content distribution</li><li>• Created by "professionals"</li><li>• Content distributed to a rather passive audience</li><li>• Feedback to content is limited</li><li>• Controllability of companies is higher</li><li>• Relatively expensive</li></ul>
<p style="text-align: center;"><b><u>Characteristics of social media</u></b></p> <ul style="list-style-type: none"><li>• Many-to-many content distribution</li><li>• Created by "everyone"</li><li>• Active audience</li><li>• Companies observe rather than control</li><li>• Relatively cheap</li></ul>

**How could social media be more effective as an advertising tool than traditional media?**

Social media is able to engage/target with a better selected public (users segment themselves often) and can be more personal, has a more active public and thus often a more interested audience. Companies can more easily target their target group.

Traditional media has often a more broad and passive audience, which is harder to reach.

**Give an Olá example where social media is more effective as an advertising tool than traditional media.**

Answer to be provided could include (type of) audience, segmentation and/or (lower) cost(s) of social media.

Example: on Olá's Cornetto Facebook page, people already segmented themselves by becoming a fan. For any reason, they are interested in this brand, they have searched for it. This group of fans is now easier to market because they have a common factor: interest in Cornetto. When Cornetto launches a new Cornetto flavor, these people can be reached more easily with social media than with

traditional media (which has often a more broad public). (When this would have been advertised through, for instance, a television program about summer vacations, not everyone would be interested and could either move away from the channel or not pay attention. More often, traditional media is relatively expensive).

**Give also an Olá example when a traditional media could be more effective than social media.**

Traditional media can function as a first podium to companies or brands.

Example: when Olá launches a completely new ice cream brand aiming for a broad target group, it might be better to use traditional media because this brand is not known and established yet. Traditional media has often a more broad public, reaching a wide variety of people: people that could influence others. Television still has a large reach.

**Question 3. Give per department two different examples how social media can be used in the advantage of a company.**

- **Executive board**
- **Marketing department**
- **Sales department**
- **R&D department**
- **Customer service department**

Answers can be given in a wide range, but must be explained well.

Social media can be exploited, if used in a proper way, in the advantage of companies for different purposes, all aimed at better serving the market and being more competitive. In a broad and comprehensive sense, but functioning comprehensively within a company:

- Building a community (Bynum-Degen, 2011: Culnan, McHugh & Zubillaga, 2010: Datamonitor III, 2010: Griffin, 2011: Lake, 2011: Rowe & Summers, 2012)
- Customer, employee and other stakeholders' interaction (Bynum-Degen, 2011: Culnan, McHugh & Zubillaga, 2010: Datamonitor III, 2010: Dutta, 2010)
- Improving awareness (Barnes, 2010: Bynum-Degen, 2011: Culnan, McHugh & Zubillaga, 2010: Lake, 2011: Rowe & Summers, 2012)

- Market research, including product development (Barnes, 2011: Culnan et al, 2010: Datamonitor III, 2010)
- More cost effective and targeted form of advertising (Barnes, 2010: Bynum-Degen, 2011: Culnan et al, 2010: Datamonitor III, 2010)
- Recruiting employees (Datamonitor III, 2010: Griffin, 2011)
- Transparency of company (Culnan et al, 2010: Griffin, 2011)

And not significantly but growing, social media is used not only as a content source but also as the place where the actual purchase starts to take place (Olson, 2011). According to Olson, this is seen as the future of e-commerce.

#### **4. Discuss how you would manage risks of social media before starting company activities on it.**

(open question, but could be directed by the instructor when needed)

Brief directions:

- Companies should know why they want to use it
- The right social medium to be used by the company-companies must explore beforehand the target group and connect this with a social medium able to deliver the demand of the target group
- Performance indicators to be formulated to measure activities
- Social media guidelines to be rolled out for acceptable/unacceptable behavior from both customers and employees

For more detailed directions, instructor can resort to Chapter 2.8 Approaching social media.

#### **5. Discuss the importance of social media nowadays**

(open question)

# Exhibits

## Exhibits Case study

### Exhibit 1- Overview value ice cream industry region-wise 2004-2009

Ice cream, Global, Value (region-wise) 2004-2009 (in millions of €)								
Region	2004	2005	2006	2007	2008	2009	2010	2011
Western-Europe	19424	19690	20394	21027	21761	22594	23465	24380
Asia Pacific	10471	10934	11472	12061	12704	13413	14190	15041
North America	10970	11188	11409	11651	11897	12115	12342	12576
Latin America	2650	2971	3108	3252	3408	3578	3761	3959
Eastern Europe	2462	2554	2648	2750	2860	2952	3067	3193
Middle East and Africa	836	901	970	1043	1121	1202	1291	1386
Overall	47015	48441	50004	51787	53774	55857	58117	60537

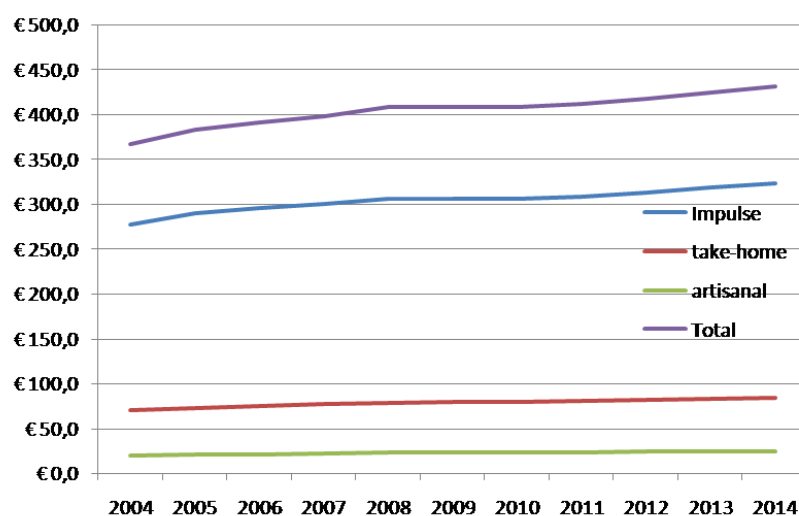
Source: Datamonitor I (2010)

### Exhibit 2- Ice cream category definitions

Ice cream category definition		
Category	Segment	Definition
Artisanal ice cream	Overall	Ice cream manufactured by small local producers for sale on the premises. Includes impulse and take-home sales, but not on-the-premises consumption
Frozen yoghurt	Overall	Soft frozen dessert made from cultured dairy products, with added natural or artificial sweetener and flavoring. Includes all impulse and take-home sales
Impulse ice cream	Dairy-based	Also 'novelties'. Dairy- or vegetable oil-based ice cream products sold for impulse (on-the-go) consumption. Includes single-serve ice cream tubs, packaged cones (e.g. Cornetto), ice cream sandwiches, and chocolate-coated ice creams (e.g. Magnum). Includes low fat dairy and oil-based products (other than frozen yogurt)
Impulse ice cream	Water-based	Also 'novelties'. Water-based frozen desserts sold for impulse (on-the-go) consumption. Includes single serve sorbet/sherbert tubs and ice lollies e.g. Calippo
Take-home ice cream	Dairy-based	Dairy- or vegetable oil-based ice cream products sold for take-home consumption. Includes multiple-serving ice cream tubs (e.g. Ben & Jerry's, Carte d'Or, Häagen-Dazs) and, ice-cream cakes (e.g. Vienetta). Includes low-fat dairy- and oil-based products (other than frozen yogurt)
Take-home ice cream	Water-based	Water-based frozen desserts sold for take-home consumption. Includes sorbet/sherbert tubs

Source: Datamonitor II

### Exhibit 3- Sales of ice cream Portugal by sector 2004-2014



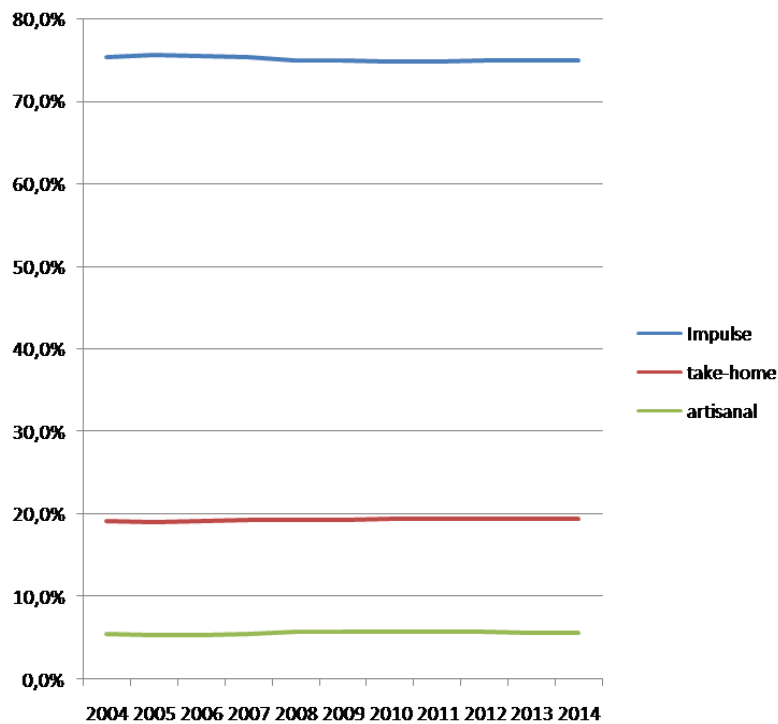
Sales of ice cream by sector

									FORECAST		
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Impulse	€ 276,6	€ 289,3	€ 295,4	€ 299,6	€ 305,9	€ 306,2	€ 305,9	€ 308,3	€ 312,9	€ 318,1	€ 323,3
take-home	€ 70,2	€ 72,8	€ 75,1	€ 76,7	€ 78,6	€ 78,9	€ 79,2	€ 80,1	€ 81,1	€ 82,4	€ 83,8
artisanal	€ 20,1	€ 20,7	€ 21,1	€ 21,7	€ 23,3	€ 23,4	€ 23,5	€ 23,6	€ 23,8	€ 24,0	€ 24,3
<b>Total</b>	<b>€ 366,9</b>	<b>€ 382,8</b>	<b>€ 391,6</b>	<b>€ 398,0</b>	<b>€ 407,8</b>	<b>€ 408,5</b>	<b>€ 408,6</b>	<b>€ 412,0</b>	<b>€ 417,8</b>	<b>€ 424,5</b>	<b>€ 431,4</b>

Values in millions

Source: Euromonitor International

#### Exhibit 4- Sales of ice cream in % of total market Portugal 2004-2014



Sales of ice cream by sector in % to total market									FORECAST			2004-2012
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
Impulse	75,4%	75,6%	75,4%	75,3%	75,0%	75,0%	74,9%	74,8%	74,9%	74,9%	74,9%	-0,4%
take-home	19,1%	19,0%	19,2%	19,3%	19,3%	19,3%	19,4%	19,4%	19,4%	19,4%	19,4%	0,3%
artisanal	5,5%	5,4%	5,4%	5,5%	5,7%	5,7%	5,8%	5,7%	5,7%	5,7%	5,6%	0,2%
Total	€ 366,9	€ 382,8	€ 391,6	€ 398,0	€ 407,8	€ 408,5	€ 408,6	€ 412,0	€ 417,8	€ 424,5	€ 431,4	

Source: Euromonitor International

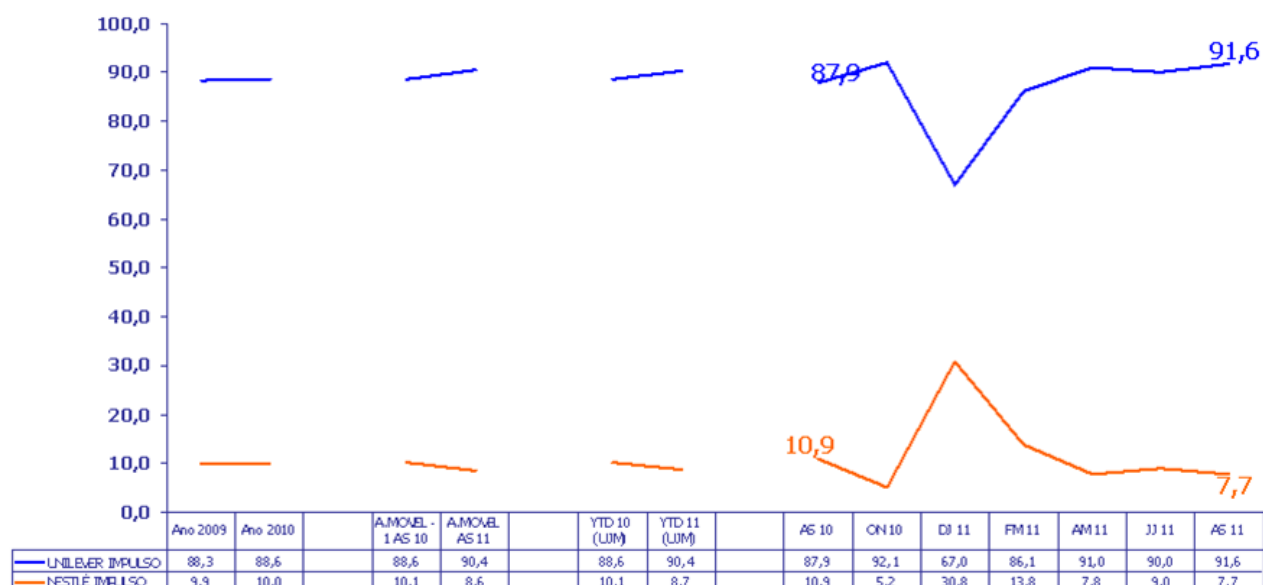
#### Exhibit 5- Volume sales of ice cream Portugal by sector 2004-2014

Sales of ice cream by subsector: volume 2004-2011 (in '000 liters)								
Category	2004	2005	2006	2007	2008	2009	2010	2011
Artisanal ice cream	2064	2123	2154	2175	2204	2209	2210	2216
Frozen yoghurt	-	-	-	-	-	-	-	-
Impulse ice cream	43175	44619	45475	46235	46714	46646	46478	46694
Take-home ice cream	15901	16561	16901	17161	17535	17547	17575	17698
Total	61140	63303	64530	65572	66454	66403	66264	66608

Source: Euromonitor International



## Exhibit 6- Market shares Portugal out-of-home channel 2009-2011



Source: Internal documents Olá

## Exhibit 7- Ice cream market shares per brand Portugal 2005-2008

Ice cream brand shares 2005-2008 (in %)					
Brand	Company	2005	2006	2007	2008
Cornetto	Olá	11.9	12.8	13.6	14.8
Magnum	Olá	10.9	12.1	13.1	14.0
Ola	Olá	4.2	4.1	4.1	4.3
Camy	Nestlé	4.2	4.1	3.8	3.7
Häagen-Dasz	Häagen-Dasz	3.0	3.1	3.1	3.3
Carte d'Or	Olá	3.2	3.1	3.1	3.1
Viennetta	Olá	2.6	2.7	2.7	2.7
Dove	Mars	-	-	2.5	2.4
Mars	Mars	-	-	2.4	2.4
Crunch	Nestlé	2.6	2.5	2.3	2.2

Source: Euromonitor International (2009)

## Exhibit 8- Ice cream market shares per company Portugal 2005-2008

Ice cream company shares 2004-2008 (in %)					
Company	2004	2005	2006	2007	2008
Olá	53.1	54.8	55.0	56.8	58.5
Nestlé	11.8	11.4	10.9	10.2	9.9
Mars	-	-	-	5.8	5.5
Häagen-Dasz	3.0	3.0	3.1	3.1	3.3
Dunkin' Brands	-	0.4	0.4	0.4	0.4
Kalise Menorquina	0.1	0.1	0.1	0.1	0.1
Masterfoods de Portugal	7.3	6.7	6.4	-	-
Private label	8.7	9.2	9.6	9.8	9.8
Artisinal	5.5	5.4	5.4	5.4	5.7
Others	10.5	9.1	9.2	8.4	6.8

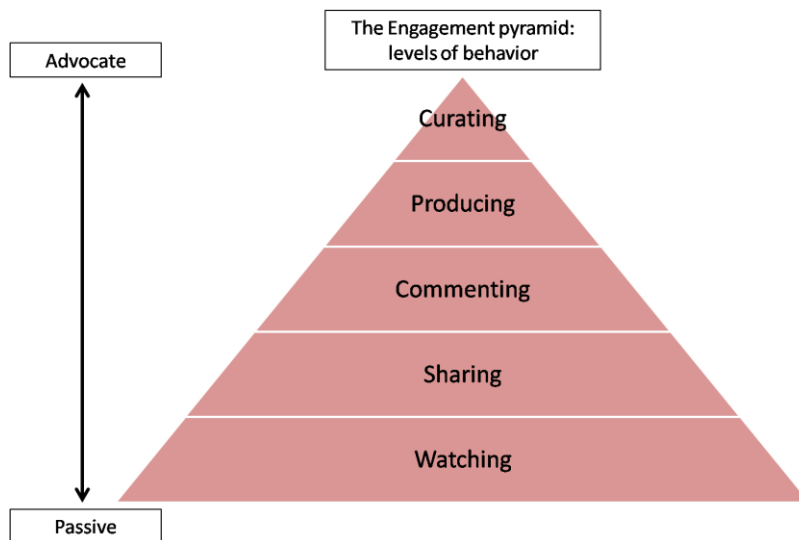
Source: Euromonitor International (2009)

## Exhibit 9- Global Top 10 visited websites

Top 10 websites globally		
Ranking	Website	Brief description
1	Google	Search engine
2	Facebook	Social network
3	YouTube	Video sharing
4	Yahoo	Multiple sites
5	Live	Search engine
6	Wikipedia	Interactive encyclopedia
7	Blogger	Weblog publisher
8	Baidu	Music and video streaming
9	MSN	Multiple sites
10	QQ	Instant messaging (Chinese)

Source: <http://techvark.com/top-10-most-visited-websites-in-the-world/>

## Exhibit 10- The Engagement pyramid



Source: [www.socialmediamodelen.nl/weergavemodellen/engagement-pyramid](http://www.socialmediamodelen.nl/weergavemodellen/engagement-pyramid)

## Exhibit 11- Different Heartbrand names and logos



Source: <http://www.notcot.org/post/9826>

## Exhibit 12- Magnum - Cornetto - Ben & Jerry's



Source: <http://www.ola.pt>

## Exhibit 13- Unilever Jerónimo Martins brand portfolio

FOOD BRANDS	Lipton Ice Tea	MAIZENA	OLÁ	Planta	Tuli Creme
	Vaqueiro	alsa	Becel	BEN & JERRY'S	Calvé
	flora	Knorr			
PERSONAL CARE BRANDS	AXE	Dove	LINIC	LUX	Rexona
	Vasenol				
HOME CARE BRANDS	Cif	Comfort	skip	Sun	Sturf

Source: <http://www.unilever-jm.com>

## Exhibit 14- Olá ice cream portfolio



Source: <http://www.ola.pt>

## Exhibit 15- Definitions ice cream distribution channels

Ice cream distribution channels	
Channel	Definition
Vending machines	Automatic machines (in public or private places) that dispense packaged foods, beverages and/or personal care products. Includes machines accepting cash or electronic payments. Does not include sales made via vending machines located within a store
Convenience stores	Convenience stores are generally less than 3,000 sq ft (280 sq mt) that specialize in a limited range of food & grocery products. These are branded and/or franchised retail outlets, typically with long opening hours. Outlets attached to service stations are covered elsewhere. Newsagents are included within this channel. Also purchases made in-store or online via these store is also included
Service stations	Convenience stores located at sites which specialize in the sale of petroleum. Also known as forecourt, gas station or petrol station stores. These stores may be operated and branded exclusively by the petroleum provider, owned, franchised or operated outlets of supermarkets / hypermarkets or owned, franchised or operated convenience store outlets. Does not include supermarkets/hypermarkets or convenience stores with on-site petrol stations. Examples include On The Run stores owned by ExxonMobil, Tesco Metro stores located on non-Tesco-owned forecourts, Circle-K stores on Shell forecourts
Department stores (incl. duty-free shops)	Large multi-sector retail stores organized into departments specializing in defined product areas includes concession outlets within department stores. Examples include Marks & Spencer, Macy's, Mitsukoshi, and Myer. Includes purchases made online through department stores or via a mail order catalogue, by phone, via a TV shopping channel or from a door-to-door salesperson. It includes purchases made at duty free shops. Excludes tax free purchases by tourists at conventional stores
Supermarkets / hypermarkets	Large self-service store that carries a broad category selection across both food and non-food grocery items as well as household products and electrical goods. Forming part of a chain of 10 or more stores. Supermarket is typically between 3,000-25,000 sq ft (280-2300 sq mt). As a general guide, hypermarkets are over 25,000 sq ft (2300 sq mt). Discounter typically cover 3,000sq ft (280 sq mt) and focus on low prices and no-frills in-store environment. Examples include Wal-mart, Tesco, Kroger, Tops, Delhaize, Royal Ahold, Aldi, Netto and Lidl
Specialist retailers	Retailers that generate the majority of their revenue through a specific product type. In the food market, this covers retailers such as delicatessens, specialist cheese shops, including specialists like fishmongers, greengrocers, butchers, bakers, and other specialists. Also includes the purchases made online through specialists retailers
Pharmacies / drugstores	Stores licensed to dispense prescription (Rx) medication. Pharmacies focus on prescription (Rx) and over-the-counter (OTC) healthcare products; drugstores additionally stock a wider range of groceries. Also known as Drug store and Health store. Does not include supermarkets with pharmacy counters. (Examples include Boots, CVS, Amcal.) Includes purchases ordered online through pharmacies / drugstores websites
Independent retailers	Traditional independent and often family run grocers that are not part of a larger multiple retail group. Independent retailers are privately owned and comprises of individual stores or chains of less than 10 stores, selling a limited range of food, beverage and household products. Includes independent or traditional grocers, "mom and pop" stores, corner shops, etc. Excludes franchised retail outlets.
Cash & Carry and Warehouse clubs	Warehouse clubs and cash and carry are members only retail stores. Customers in warehouse clubs are usually members of the club and pay an annual fee to the store. The store operates on a no-frills, limited SKUs range (typically 4000-5000) basis and offers savings to customers in the form of low prices. E.g. Costco and Sam's Club. Cash and carry retailers offer bulk or wholesale purchase facility either on a self-serve basis, or on the basis of samples (with the customer selecting from specimen articles using a manual or computerized ordering system but not serving themselves) or a combination of the two. Customers settle the invoice on the spot and in cash. E.g. Bestway, METRO Cash & Carry
Others	Includes discount, variety stores and general merchandise retailers. Also includes market traders, kiosks, second hand charity stores, market stalls and direct factory outlets and television home shopping

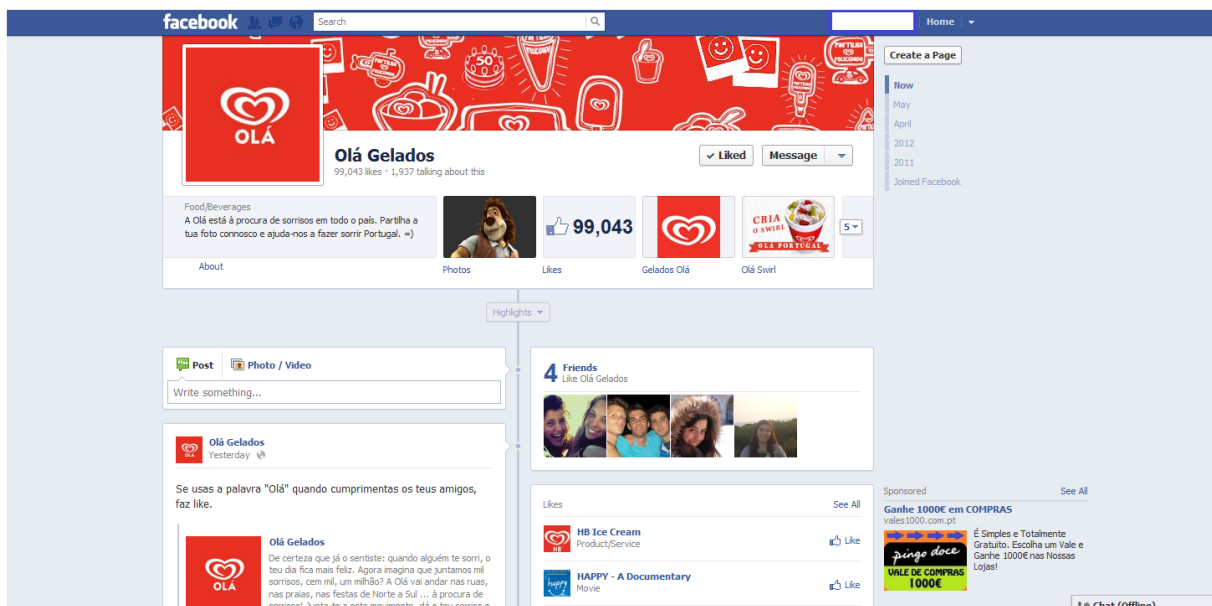
Source: Datamonitor II

## Exhibit 16- Pricing board



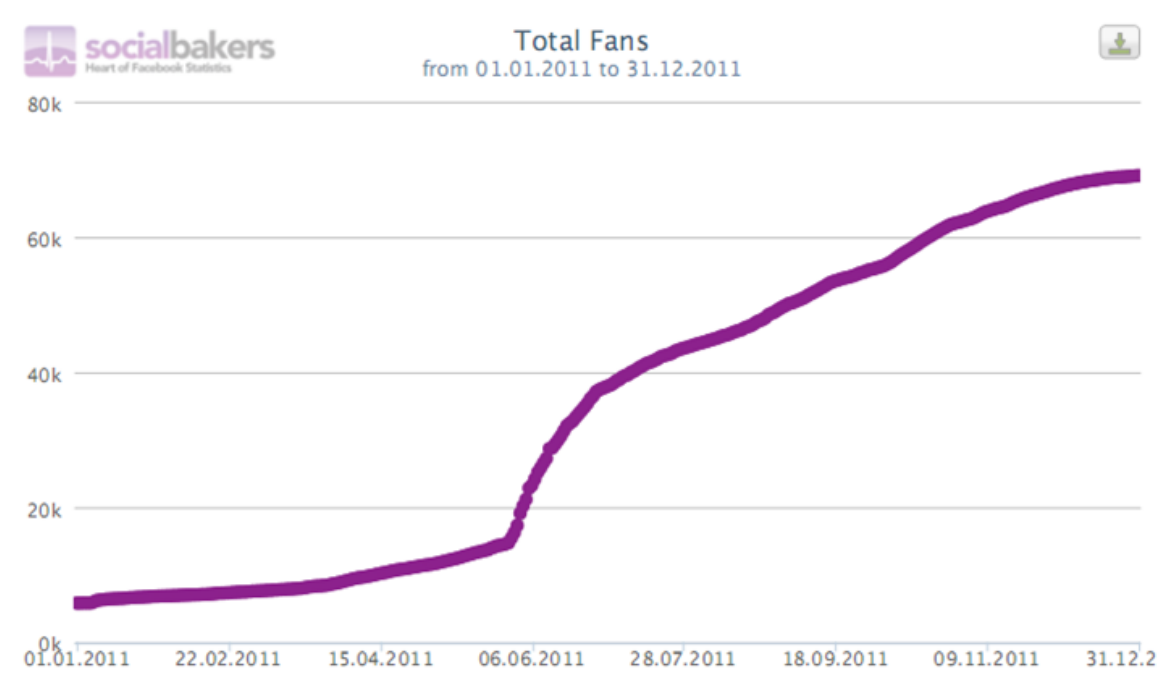
Source: Internal documents Olá

## Exhibit 17- Facebook page Olá Gelados



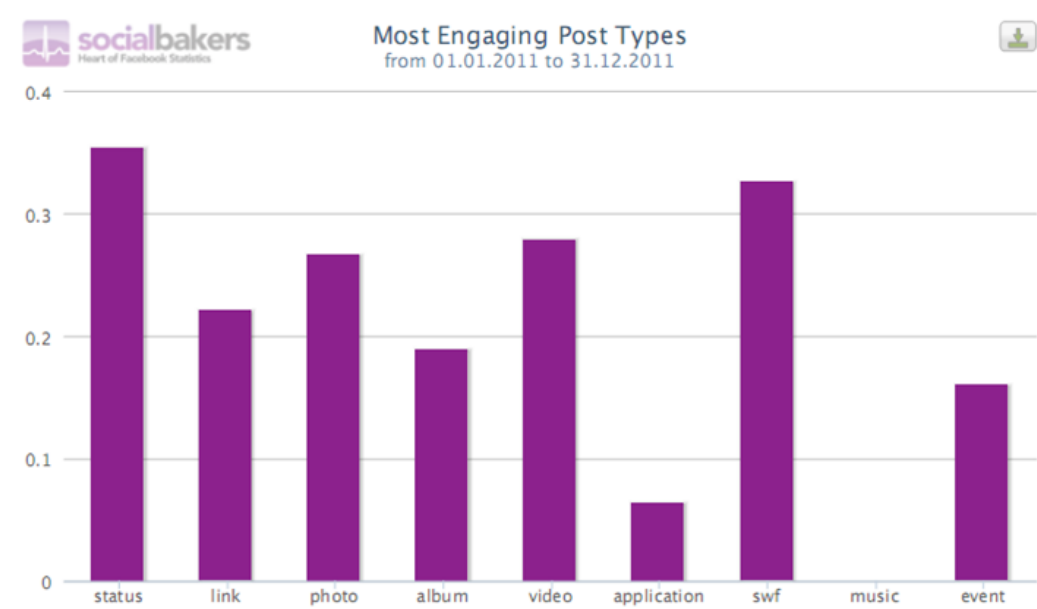
Source: <https://www.facebook.com/Olagelados>

Exhibit 18- Facebook fans Olá Gelados



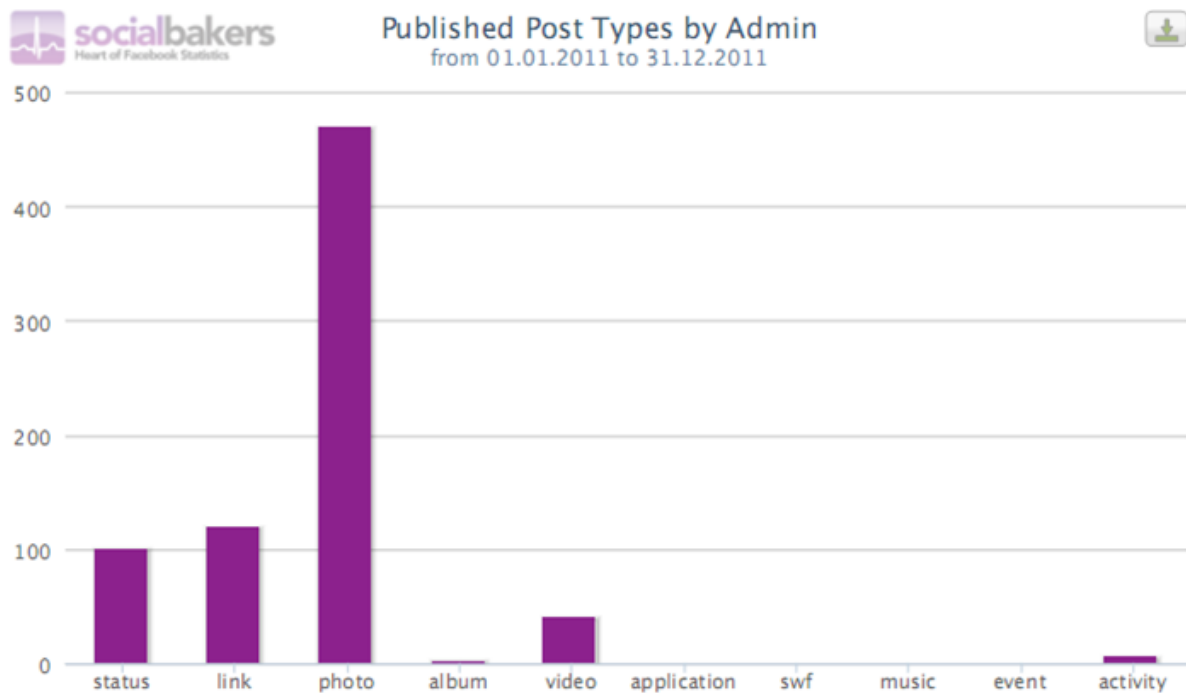
Source: Internal documents Olá

Exhibit 19- Engagement per post type Facebook page Olá Gelados



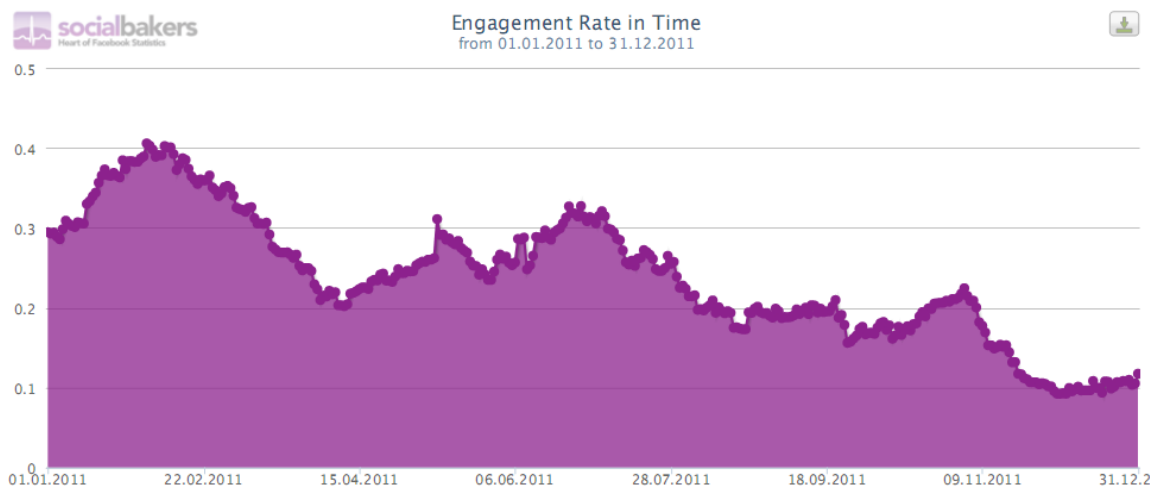
Source: Internal documents Olá

## Exhibit 20- Published content types on Facebook page Olá Gelados



Source: Internal documents Olá

## Exhibit 21- Engagement on Facebook page Olá Gelados



Source: Internal documents Olá



## Exhibit 22- Top 10 brands by number of Facebook fans Portugal

Top 10 brands by number of fans- Facebook in Portugal		
	Brand	Number of fans
1	Nike Football Portugal	773.000
2	TMN	552.000
3	Vodafone Portugal	455.000
4	Swatch Portugal	421.000
5	Dê Colo à Ajuda de Berço	359.000
6	Worten	354.000
7	Optimus	353.000
8	FNAC Portugal	332.000
9	Meo- O commando é meu	313.000
10	Moche	246.000

Source: [www.socialbakers.com](http://www.socialbakers.com)

## Exhibit 23- Zappos on social media

**twitter.zappos.com**  
powered by twitter, Zappos.com, clothing and you.

[Follow the Zappos.com CEO on Twitter!](#)

[Zappos Public Mentions](#) | [Employee Tweets](#) | [Employee TwitPics](#) | [Employees Who Twitter](#)

Beginner's Quick Start Guide and Tutorial to Using Twitter

**498** Zappos employees are on Twitter!

Are you a Zappos employee that uses Twitter?  
Send Tony an email with your Twitter user name to be seen here!

 <a href="#">zappos</a> Twitter Rank #1 (1684146 followers)	 <a href="#">zulu foxtrot</a> Twitter Rank #2 (17430 followers)	 <a href="#">zappos_alfred</a> Twitter Rank #3 (10910 followers)	 <a href="#">electra</a> Twitter Rank #4 (5968 followers)	 <a href="#">thomasknoll</a> Twitter Rank #5 (4432 followers)
 <a href="#">Zappos Service</a> Twitter Rank #6 (4197 followers)	 <a href="#">inside zappos</a> Twitter Rank #7 (3284 followers)	 <a href="#">Zappos Fred</a> Twitter Rank #8 (2922 followers)	 <a href="#">zappos sole man</a> Twitter Rank #9 (2594 followers)	
 <a href="#">krianbalma</a> Twitter Rank #10 (2422 followers)	 <a href="#">Zappos tid</a> Twitter Rank #11 (1964 followers)	 <a href="#">macknuttie</a> Twitter Rank #12 (1899 followers)	 <a href="#">Zappos JimGreen</a> Twitter Rank #13 (1781 followers)	 <a href="#">Zappos Wedding</a> Twitter Rank #14 (1743 followers)

Source: Datamonitor III


## Exhibit 24- Nestle on social media



**Nestle** We welcome all comments, but please don't post using an altered version of our logo as your profile pic. And please read our statement to answer many questions: <http://tinyurl.com/nestlepalmoil>.

**Statement on palm oil**  
tinyurl.com  
There have been recent questions raised about Nestlé and palm oil. We share the deep concern about the serious environmental threat to rainforests and peat fields in South East Asia caused by the planting of palm oil plantations. ...

19 March at 00:11 · [Share](#) · [Report](#)



**Nestle** Thanks for the lesson in manners. Consider yourself embraced. But it's our page, we set the rules, it was ever thus.  
8 hours ago · [Report](#)



**Darren Smith** Freedom of speech and expression  
8 hours ago · [Report](#)



**Nestle** you have freedom of speech and expression. Here, there are some rules we set. As in almost any other forum. It's to keep things clear.  
8 hours ago · [Report](#)



**Paul Griffin** Your page, your rules, true, and you just lost a customer, won the battle and lost the war! Happy?  
8 hours ago · [Report](#)



**Nestle** Oh please .. it's like we're censoring everything to allow only positive comments.  
8 hours ago · [Report](#)



Source: Datamonitor III

## Exhibit Questionnaire

Dear participant,

Thank you for taking time to fill out this survey. I am student at Católica Lisbon School of Business and Economics and currently working on my master thesis. This survey is about social media in the ice cream industry. It will take approximately five minutes to complete the survey.

Your survey responses are anonymous, confidential and will only be used for the purpose of the thesis. If you have any questions regarding the thesis or the survey, do not hesitate to contact me: hilco\_beeks@hotmail.com

I would like to thank you very much for your participation, it helps me enormously.

Best regards,

Hilco

### Questionnaire

*The following questions are about social media.*

First, I will explain in short what social media is:

*Simply put:* "Social media essentially is a category of online media where people are talking, participating, sharing and networking online."

There is a wide variety of social media, ranging from social sharing sites such as YouTube and Flickr through social networks such as LinkedIn and Facebook.

-----

#### **How often do you actively use the following types of social media?**

	Never	Less than once a week	Once or twice a week	3-6 times a week	Every day	More than once every day
Facebook						
Myspace						
Hi5						
Hyves						
LinkedIn						
Twitter						
Google +						
YouTube						
Pinterest						
Own blog						
Blogs from others						

-----

What do you use social media for? Please distribute 100% among the five listed options. The category with the highest percentage corresponds to the one you spent most time on.

Gathering information	
Sharing content	
Entertainment	
Social interaction	
Purchasing goods/services	

What are in your opinion the main opportunities for companies using social media? Pick the two best.

- Recruiting employees
- Building a community
- Improving awareness
- More cost effective and targeted form of advertising
- Market research
- Customer interaction
- Transparency of company

Indicate to what extent you agree with the following statement (segmented per product category)

"I am influenced by social media when purchasing the following type of product."

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
Books					
Movies, music & games					
Groceries					
Clothing, shoes & jewelry					
Sports & outdoors					
Automotive & industrial					

Please make an estimation per product category what percentage of your purchase decisions last year was influenced by friends on social media the last year?

	0% (never)	>0%-20%	>20%-40%	>40%-60%	>60%-80%	>80%-100%	100% (always)	Did not buy
Books								
Movies, music & games								
Groceries								
Clothing, shoes & jewelry								
Sports & outdoors								
Automotive & industrial								

Please make an estimation per product category what percentage of your purchase decisions was influenced by official company content on social media the last year?

	0% (never)	>0%-20%	>20%-40%	>40%-60%	>60%-80%	>80%-100%	100% (always)	Did not buy
Books								
Movies, music & games								
Groceries								
Clothing, shoes & jewelry								
Sports & outdoors								
Automotive & industrial								

The following questions are about consumption ice cream. The ice cream market consists of impulse ice cream, artisanal ice cream (luxurious ice cream, made by skilled ice cream maker), frozen yogurt and take-home ice cream.

How often do you normally consume ice cream(s) during the following period?

	Once or less than once a month	Twice to 3 times a month	4 to 8 times a month (once or twice a week)	More than 8 times a month (more than twice a week)
Spring				
Summer				
Autumn				
Winter				

Where do you purchase ice cream normally? Select two

- Convenience store
- Service station (e.g. gas station)
- Independent retailer (e.g. small store, pastelaria)
- Specialist retailer
- Pharmacy/drug store
- Others (OPEN)

Where do you normally base your decision on, purchasing (a specific type of) ice cream for the first time?

- Price
- Prior relationship with vendor
- Company reputation
- Peer/Colleague recommendation
- Vendor recommendation
- Advertisement
- Other (open)

Are you aware of any social media activities by ice cream brands?

Yes	Might be	No
-----	----------	----

What are in your opinion the best ways to use social media for ice cream brands? Pick two

- Recruiting employees
- Building a community
- Improving awareness
- More cost effective and targeted form of advertising
- Market research
- Customer interaction
- of company

-----

Unilever is one of the largest consumption ice cream producers in the world. Most of Unilever's ice cream business falls under its "Heartbrand" brand umbrella, called this way because of the brand's heart-shaped logo. Although the logo is used worldwide, each country retained the local brand name (see shortened table below):

Country	Used brand name
Germany	Langnese
Portugal	Olá
Russia, Italy, Poland, Czech and Turkey among others	Algida
The Netherlands, Belgium, South Africa	Ola
United Kingdom, Thailand and other parts of Asia	Wall's
USA, Canada and China	Good Humor

The Heartbrand company also produces ice cream brands such as Magnum, Cornetto and Ben & Jerry's.

For the following questions, please be aware that the company has a different name in your country as the table shows!



-----

What would you prefer the HEARTBRAND Facebook page to be?

Global	No preference	Local
--------	---------------	-------

**What do you expect from HEARTBRAND on social media? (rank in order of preference, 1 is most expected, 4 is least expected)**

Interaction between customers and the company	Advertisements/promotions	Entertainment/games	Information about the company and its products
---	---------------------------	---------------------	--

-----

#### **General questions:**

**How often do you order products/services online on average?**

- Less than once a year
- Once every 6-12 months (once a year)
- Once every 4-6 months (2 -3 times a year)
- Once every 2-3 months (4-6 times a year)
- Once a month
- Once every 2-3 weeks
- Once a week or more often

-----

#### **Gender**

Male	Female
------	--------

#### **Age range**

<18 years	18-24 years	25-34 years	35-44 years	45-54 years	55-64 years	>64 years
-----------	-------------	-------------	-------------	-------------	-------------	-----------

#### **Country of residence**

The Netherlands	United States	Portugal	Other
-----------------	---------------	----------	-------

#### **Highest completed educational level**

Primary school or less	High school	Some college	Bachelor's degree	Master's degree	More than master's degree
------------------------	-------------	--------------	-------------------	-----------------	---------------------------

#### **Annual income range**

<€10.000	€10.001-€20.000	€20.001-€30.000	€30.001-€40.000	€40.001-€50.000	€50.001-€60.000	>€60.000
----------	-----------------	-----------------	-----------------	-----------------	-----------------	----------

-----

#### **End of survey**

## Bibliography

### Articles

- Barnes, N.G. (2010), How do the most successful companies use social media, Marketing Research, Spring 2010, p8-13
- Berger, J., & Schwartz, E.M. (2011), What drives immediate and ongoing word of mouth, Journal of Marketing Research, October 2011, p869-880
- Bowley, Hastings, Markey & Given ( 2011), Marketing, 19/1/2011, p22
- Brogan, C. (2011), Rewiring the approach to social business: Chris Brogan on the power of relationships, Tactics, August 2011, p18
- B&T Magazine (2011), The rules of social engagement, B&T magazine, 13/5/2011, Vol. 61 issue 2741, p14-19
- Bynum-Degen, K. (2011), Socialized marketing, Response, February 2011, p40-44
- Constantinides, E. & Stagno, M.C. (2011), Journal of Marketing for Higher Education, Vol. 21, Nr. 1, January-June 2011, p7-24
- Culnan, M.J., McHugh, P.J. & Zubillaga, J.I. (2010), How large U.S. companies can use Twitter and other social media to gain business value, MIS Quarterly Executive, Vol. 9. No. 4, December 2010, p243-259
- Dunn, B. J. (2010), Best Buy's CEO on learning to love social media, Harvard Business Review, December 2010, p43-48
- Dutta, S. (2010), What's your personal social media strategy, Harvard Business Review, November 2010, p127-130
- Evans, D., & Scott, T. (2011), Turning social into profit, Franchising World, March 2011, p46-48
- Fisher, T. (2009), ROI in social media: A look at the arguments, Journal of Database Marketing & Customer Strategy Management, Vol. 16, p189-195
- Fogel, S. (2011), International Journal of Integrated Marketing Communications, Fall 2010, p54-60
- George, J. (2011), Connecting with customers, Review, Fall 2011, p22-25
- Griffin, J. (2011), Double edged sword of communicating via social media, Keeping Good Companies, December 2011, p659-663
- Hampp, A. (2010), Gaga oooh la la: why the lady is the ultimate social climber, Advertising Age, 3/22/2010, Vol. 81 Issue 8, p42



- Kaplan, A.M. & Haenlein, M. (2010), Users of the world, unite! The challenges and opportunities of social media, *Business Horizons*, Vol. 53 nr 1, January-February 2010, p59-68
- Kincy, J. (2012), Preparing for a new year in social media, *ABA Bank Marketing*, January-February 2012, p42
- Kilian, T., Hennigs, N. & Langner, S. (2012), Do millennials read books or blogs? Introducing a media usage typology of the Internet generation, *Journal of Consumer Marketing*, Vol. 29, No. 2, p114-124
- Kozinets, R.V., de Valck, K., Wojnicki, A.C., Wilner, S.J.S. (2010), Networked narratives: understanding word-of-mouth marketing in online communities, *Journal of Marketing*, Vol. 74, p71-89
- Kurda, W. (2012), Power up your internal brand, *Communication World*, January-February 2012, p37-39
- Madhava, R. (2011), 10 things to know about preserving social media, *Information Management*, September-October 2011, p33-37
- Raysman, R. (2012), A practical look at social media policies, *The Computer & Internet Lawyer*, Vol. 29, No. 3, p10-13
- Rowe, B. & Summers, A. (2012), Brands look for love, *Marketing*, 2/11/2012, p14-15
- Rowlands, I., Nicholas, D., Williams, P., Huntington, P., Fieldhouse, M., Barrie, G., Withey, R., Jamali, H.R., Dobrowolski, T., and Tenopir, C. (2008), The Google generation: the information behaviour of the researcher of the future, *Aslib Proceedings: New Information Perspectives*, Vol. 60, No. 4, p1-35
- Shankar, V. & Malhotra, E.C. (2009), A peek into the future of interactive marketing, *Journal of Internet Marketing*, Vol. 23 Issue 1, February 2009, p1-3
- Weed, K. (2011), Measuring social media is a big issue for us, *Marketing*, 2/2/2011, p28-30

## Websites

- MTV (2012), <http://www.mtv.co.uk/news/lady-gaga/351951-lady-gaga-twitter> (retrieved 19/3/2012)
- Catacchio, C. (2010), <http://thenextweb.com/us/2010/10/27/walmart-now-doing-group-buying-on-facebook/> (retrieved 24/3/2012)
- Celantano, D. (2011), 4 myths about social media in food, debunked!, <http://foodbeverage.about.com/od/socialmediainfood/a/4-Myths-About-Social-Media-In-Food-Debunked.htm> (retrieved 26/3/2012)

- Internet World Stats (2012), <http://www.internetworldstats.com/facebook.htm> (retrieved 27/4/2012)
- Interactive Advertising Bureau (2009), [http://www.iab.net/about\\_the\\_iab/recent\\_press\\_releases/press\\_release\\_archive/press\\_release/pr-050509](http://www.iab.net/about_the_iab/recent_press_releases/press_release_archive/press_release/pr-050509) (retrieved 22/3/2012)
- Lake, L. (2011), Understanding the role of social media in marketing, <http://marketing.about.com/od/strategytutorials/a/socialmediamktg.htm> (retrieved 26/3/2012)
- Lake, L. (2011), Protect your brand from employee sabotage with a social media policy, <http://marketing.about.com/od/socialmediamarketing/a/socialmediapolicy.htm> (retrieved 26/3/2012)
- McDougall, P. (2009), Microsoft Encarta is web 2.0's latest victim, <http://www.informationweek.com/news/internet/web2.0/showarticle.jhtml?articleID=216401974> (retrieved 21/3/2012)
- Olson, P. (2011), The future of buying through Facebook, <http://www.forbes.com/sites/parmyolson/2011/02/01/the-future-of-buying-through-facebook/2> (retrieved 25/3/2012)
- Ray (2009), Blogs in the marketing mix: four measures of blog credibility, <http://thecustomercollective.com/augieray/25583/blogs-marketing-mix-four-measures-blog-credibility> (retrieved 22/3/2012)
- Scissons, M. (2011), Your business on Facebook: solving the local vs global dilemma, <http://syncapse.com/your-business-on-facebook-solving-the-local-vs-global-dilemma> (retrieved 18/4/2012)
- Social Baker (2012), Portugal Facebook stats, <http://www.socialbakers.com/facebook-statistics/portugal> (retrieved 23/3/2012)
- Social media modellen, Engagement period, [www.socialmediamodelen.nl/weergavemodelen/engagement-pyramid](http://www.socialmediamodelen.nl/weergavemodelen/engagement-pyramid) (retrieved 10/5/2012)
- Techvark (2011), Top 10 most visited websites in the world, <http://techvark.com/top-10-most-visited-websites-in-the-world> (retrieved 12/5/2012)
- The Economist (2012), Nothing to see in Portugal, please keep moving, <http://www.economist.com/blogs/freeexchange/2012/02/credibility> (retrieved 8/5/2012)
- The Economist (2012), The next special case, <http://www.economist.com/node/21546056> (retrieved 8/5/2012)

- The Economist (2012), The uncertainty society,  
<http://www.economist.com/node/21548977>(retrieved 8/5/2012),
- The Fiscal Times (2012), Pressure for Portugal from older populations,  
<http://www.thefiscaltimes.com/Blogs/Age-and-Reason/2011/03/26/Pressure-for%20Portugal-from-Older-Populations.aspx#page1> (retrieved 10/5/2012)

## **Reports**

- International Social Media Research Wave 3 research report ( 2008),  
<http://www.slideshare.net/mickstravellin/universal-mccann-international-social-media-research-wave-3> (retrieved 23/3/2012)
- U.S. Department of State (2011), Social media landscape: Portugal,  
<http://publicintelligence.net/ufouo-u-s-state-department-social-media-landscape-portugal> (retrieved 25/3/2012)
- Datamonitor I (2010), Global Ice Cream Market to 2014, Datamonitor
- Datamonitor II (2009) , Ice Cream in Portugal 2012, Datamonitor
- Datamonitor III (2010), Opportunities in social media: profiting from digital conversation, Datamonitor
- Euromonitor International (2009) , International Ice Cream Portugal, Euromonitor

## **Books**

- Basisboek Marketing (2000), 4th edition, Wolters-Noordhoff
- Marketingcommunicatie (2006), 5th edition, Floor, J.M.G. & van Raaij, W.F., Stenfert Kroese
- Marktonderzoek (2003), 6th edition, Kooiker, R., Wolters-Noordhoff
- Strategische marketingplanning (2005), 4th edition, Alsem, K.J., Stenfert Kroese

## **Other**

- Internal documents Olá